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CANADA STUDENT LOANS PROGRAM CONSOLIDATION PACKAGE RESEARCH
- Final Report -

Prepared for:
Human Resources and Social Development Canada
por-rop@hrsdc-rhdcc.gc.ca

Ce rapport est également disponible en français

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2600 SKYMARK AVENUE, BUILDING 6, SUITE 102, MISSISSAUGA, ONTARIO L4W 5B2
TEL: (905) 625-7663 FAX: (905) 625-7137

TABLE OF CONTENTS

Page

INTRODUCTION 1

EXECUTIVE SUMMARY 3

DETAILED FINDINGS:

- Overall Reactions to the Consolidation Package 6
- Letter 12
- *Step-by-Step Guide* 19
- *Consolidated Student Loan Agreement and Repayment Form* 23
- *Having Trouble Paying Back Your Student Loan?* 29

APPENDIX: Screening Questionnaire
Discussion Materials
Draft Revised Consolidation Package

INTRODUCTION

PURPOSE

The Canada Student Loans Program (CSLP) strives to increase client awareness of loan repayment obligations, improve the repayment rate of borrowers, reduce the cost of loan administration and improve loan portfolio performance.

Prior to entering repayment, borrowers are mailed a loan Consolidation Package providing information about loan repayment and a loan consolidation agreement for the borrower's signature. Using learning from past research, the CSLP has revised components of the Consolidation Package. The revised draft pieces consist of a letter, a *Consolidated Student Loan Agreement and Repayment Form* ("Agreement"), a *Step-By-Step Guide* to completing the Agreement, and an information sheet titled, *Having trouble paying back your loan?* (hereafter referred to as *Having trouble*).

The purpose of the research was to assess the communication effectiveness of the revised draft pieces of the Consolidation Package. Information objectives include assessment of:

- Ease of understanding each of the four pieces, as well as how the pieces interrelate with each other
- Perceived usefulness of the information
- Perceived completeness of the information provided, and identification of any areas about which borrowers would like more information
- Perceived clarity and effectiveness of the layout and design of each piece
- Participant suggestions for changes or improvements

METHOD

Eight focus groups were conducted March 7-13, 2007, with two groups in each of Halifax, Toronto, Calgary and Vancouver. The focus groups were English-speaking sessions only. Each focus group lasted two hours and fifteen minutes. There were 7 to 8 participants in each focus group.

Participants were recruited from a list provided by the CSLP of borrowers who in the past year had consolidated their Canada Student Loan(s) and entered into repayment.

Participants from the list were screened to ensure they met the following qualifications:

- Had not returned to school/are not currently attending school
- Recalled receiving the Consolidation Package after leaving school
- Are not employed in marketing research, the media, or by Human Resources and Social Development Canada

Participants were paid an incentive of $80.

LIMITATIONS OF QUALITATIVE RESEARCH

It is important to note that this research was qualitative in nature, not quantitative. As such, the results provide an indication of the participants' views about the issues explored, but cannot be statistically generalized to the target population.

EXECUTIVE SUMMARY

OVERALL REACTIONS TO THE CONSOLIDATION PACKAGE

After reviewing the four pieces comprising the Consolidation Package, participants were asked for their perceptions of the most important messages the package is trying to convey. There were three main messages widely perceived to be conveyed by the package as a whole:

- Options are available for people who may have difficulty repaying their loan.
- Sign and return the Agreement.
- It is time to start repaying one's Canada Student Loan.

Because of the importance of the "sign and return" message to CSLP, this area was discussed further, and participants identified additional ways to reinforce communication of "sign and return." This included suggestions targeted at borrowers judged to be at risk of not returning the Agreement because of anticipated financial difficulties making loan payments.

Participants were asked for their impressions of the draft revised Consolidation Package compared to what they could recall of the package they had received (note that the current package was not shown in the focus groups). There was a widespread perception that the draft revised package is better than the current package. In particular, participants noticed and liked the inclusion of the two new pieces, the *Step-by-Step Guide* and *Having Trouble*, although some suggested there be more shared graphic design elements in order to better connect visually the different documents in the package.

LETTER

Overall participants had a generally positive reaction to the letter, saying they found it clearly written and easy to understand. A variety of specific aspects of the letter were mentioned, several examples of which are the summary information in the top right corner of the letter, the use of bold font to emphasize certain items, and the explanation of what borrowers can do at the canlearn.ca website.

Participants also identified various areas of potential change, several of which included:

- With regard to the summary information in the top right corner, consider adding the date of the first monthly loan payment, and loan number(s).
- In the *What you need to know* section:
  - -- Add a reference to the option to change the date on which monthly payments are withdrawn which appears on the Agreement.
  - -- Explain the phrase "capitalized interest" and how it relates to grace period interest. Participants also suggested more consistent use of terminology in this area across the different documents.
- With regard to the *What you should remember* section:
  - -- Participants perceived borrowers who are in financial difficulty and who might apply for IR as at risk of not returning the Agreement. In this context, they suggested bolding the

last sentence about signing and returning the Agreement in order to qualify for programs such as Interest Relief (IR).

-- Refer readers to the *Having Trouble* document for additional information about options available to those anticipating difficulty making loan payments.

- Increase the visual prominence of the website, given the perceived usefulness of the information provided about what borrowers can do at the website.
- Add some discussion of the option of making lump sum payments, to complement the availability of this option in the Agreement.
- Clarify the dates, which are presently in numeric format, either by spelling out dates or stating the convention for interpreting the numeric dates.

STEP-BY-STEP GUIDE

Overall reaction to the *Step-by-Step Guide* was very positive: almost all participants felt this would be a very important and useful addition to the Consolidation Package.

Key positive perceived aspects of the *Step-by-Step Guide* included:

- The *Guide* provides an action-oriented summary -- i.e., a clear, concise listing of what the borrower has to do.
- The checklist structure was widely appreciated. By using this structure, the *Guide* is perceived to clearly and concisely lay out, step-by-step, what the borrower should do. Some participants, for example, said that when they received their package they were not sure "what to do first." The *Step-by-Step Guide* solves this problem.

Participants also identified various areas of potential change, a few of which included:

- While in general terms the use of colour and graphic design was widely liked and was perceived to give the document and user-friendly look, a number of participants suggested there needs to be further refinements to the graphic design, in order to enhance the communication value of the document.
- There was some concern the document conveys an impression that the borrower is supposed to make changes to the Agreement, and that perhaps more should be done to increase recognition of acceptance of the defaults loan plan as a possible choice.

CONSOLIDATED STUDENT LOAN AGREEMENT AND REPAYMENT FORM

Overall, the draft revised Agreement, with its different layout and large amount of white space, appeared to be easier to look at and read, and easier to deal with, compared to the the current Agreement which participants recalled as being a long page filled with dense text. Other general aspects of the draft revised Agreement that participants liked included:

- Participants liked the summary information shown for the loan as a whole, as well as for each individual loan.
- Each loan is perceived to be clearly labeled.

- Some participants commented that they liked the graphic design of the signature block with the thick black line: this makes the signature area stand out and look important.

Participants identified several potential areas of change for the design of the Agreement, perhaps the most significant of which involved the section for payment of capitalized interest and payment of a lump sum. Some participants did not understand how to fill these sections out, and in particular misunderstood how to fill them in so as to pay capitalized interest before the first loan payment due date. Essentially the results indicated there needs to be more visual separation of these two parts of the Agreement.

HAVING TROUBLE PAYING BACK YOUR LOAN?

Overall reaction to *Having Trouble* was very positive: almost all participants felt this would be a very important and useful addition to the Consolidation Package.

Key positive perceived aspects of *Having Trouble* included:

- Both the content and the use of colour, graphic design and pictures conveys an impression of helpfulness and friendliness. It helped give the Consolidation Package as a whole a friendlier feeling.
- The document provides a good, clear overview of options available to people who anticipate difficulty starting to repay their Canada Student Loan. This is a topic most participants felt is important, and one that will be of interest to many borrowers.
- The majority of participants liked the idea of a magnet with NSLSC contact information, and said they would put it, e.g., on their refrigerator.

Participants also identified various areas of potential change, several of which included:

- Consider alternative imagery; for example, the crumpled ball of paper might be seen as being the borrower's Agreement, and this might not be imagery CSLP wants to use.
- In the section on Revision of Terms, insert a cross-reference to the relevant section of the Agreement, so that borrowers understand this where Revision of Terms can be done.
- Add a sentence to the section on IR stating that the requirement to return the Agreement in order to qualify for IR.
- Consider removing the phrase *Don't Panic!* from the magnet, as this might deter some people from using it due to concern over how they appear to others who come into their home and see the magnet.

MORE INFORMATION

- Supplier name: Sage Research Corporation
- Contract #: V9863-060001/028/CY
- Award date: 2007-02-14

To obtain more information on this study, please e-mail por-rop@hrsdc-rhdcc.gc.ca

DETAILED FINDINGS

OVERALL REACTIONS TO CONSOLIDATION PACKAGE

PERCEIVED MAIN MESSAGES OF THE CONSOLIDATION PACKAGE

After reviewing the four pieces comprising the Consolidation Package, participants were asked for their perceptions of the most important messages the package is trying to convey, and what if anything it says about what borrowers are supposed to do after receiving the package.

There were three main messages widely perceived to be conveyed by the package as a whole:

- Options are available for people who may have difficulty repaying their loan.
- Sign and return the Agreement.
- It is time to start repaying one's Canada Student Loan.

Perception of this message that options are available was driven by various aspects of the draft revised package, particularly including the presence of the *Having Trouble* document in the package.

A number of participants also perceived a message that help is available, and to contact the National Student Loans Service Centre (NSLSC) to get help or answers to questions.

Communication of message: "Sign and return the Agreement"

One important intended message in the package is to sign and return the Agreement. As noted above, the package did a good job of conveying this message as it was widely perceived to be a main message.

Participants were asked whether anything further could be done to reinforce communication of the "sign and return" message. Suggestions fell into two categories: (1) general suggestions to increase the salience of the message for all borrowers receiving the package, and (2) suggestions particularly focusing on borrowers perceived to be at risk of not returning the Agreement because of inability to start making payments.

General Suggestions

The most common suggestion on how to increase the general salience of the "sign and return" message was to bold the phrase, *complete, sign and return*, at the end of the first paragraph of the letter. For reference, the full text of the first paragraph is:

> Your student loan(s) become payable as of **3/1/2007**. It is important that you are aware of your repayment arrangements. Read the information provided in this letter. Review the details of your "Consolidated Student Loan Agreement" and then complete, sign and return it.

One or a few participants each made the following additional suggestions with respect to this phrase:

- Print the phrase in all-capital letters.
- Put the phrase "you must" before the phrase.

- Add the due date for return of the Agreement, in case the borrower is inclined to procrastinate.
- Change the first paragraph into a bullet-point list, so that the "complete, sign and return it" message appears as the final bullet point.

Other suggestions to increase the general salience of the "sign and return" message were:

- Several participants suggested putting the message on the postage-paid return envelope -- e.g., on the back of the envelope under the flap, where companies sometimes print "did you remember to" types of messages.
- One participant suggested putting the message in large letters just above the *Pre-Authorization Payment Plan Information* on the Agreement.

Suggestions Focused on At-Risk Borrowers

In the focus groups, two situations were discussed which point to the conclusion that borrowers who think they cannot start making payments are most at risk of not signing and returning the Agreement. The two situations were: (1) if you cannot afford to start making student loan payments as of the first payment due date, what would you do; and (2) if you do not sign and return the Agreement, will payments be withdrawn from your bank account anyway. We first discuss what participants said they would do in these two situations, and then describe their suggestions for how to emphasize the "sign and return message" specifically for at-risk borrowers.

1) If you cannot afford to start making student loan payments, what would you do?

Participants were split on whether or not they would sign and return the Agreement if they could not afford to start making loan repayments.

Participants who said they would return the Agreement usually referred to the last sentence in the *What you should remember* section of the letter. This sentence comes after a reference to Interest Relief (IR), Revision of Terms (RT), and Debt Reduction (DR), and says, *Please note that you must sign and return your Agreement in order to qualify for these programs.* However, several participants each also indicated the following methods of filling in the Agreement in order to reduce the perceived risk of payments being withdrawn from their accounts:

- Change the payment amount to zero dollars.
- Check off the box on the Agreement indicating they "do not wish to use the Pre-Authorized Payment Plan for my student loan payments."
- In the *Change my Date to* section of the Agreement, change the year to a later year.

In the case of participants who said they would not sign and return the Agreement if they could not afford to start making payments, many said they would call the NSLSC. It should be noted this is a reasonable thing to do, and callers presumably would be told at that point to sign and return the Agreement. Some participants said they had not noticed the sentence referred to above in the *What you should remember* section of the letter. Some, however, noticed it but still would not return the Agreement (at least not before calling the NSLSC).

There were two main reasons given:

- It appears that by signing and returning the document (e.g., based on the text in the signature block of the Agreement), one is committing to start paying the monthly payment amount on the date shown in the Agreement. As a result, some participants were reluctant to do this, even though the letter says that to qualify, for example, for IR, one needs to return the Agreement. They were uncomfortable knowingly committing to making payments when they knew they could not make the payments.
- Some participants said the letter does not give any guidance on how to fill in the Agreement in this situation. Several also thought that in this situation perhaps one should also send an IR application along with the Agreement -- which was also why they wanted to first speak with someone at the NSLSC.

2) **If you do not return the Agreement, will payments be withdrawn from your bank account anyway?**

The correct answer to this question is that the payments will be withdrawn, providing the banking information on file is accurate. However, participants were split in their opinions about what would happen: some thought the payments would be withdrawn, but some others thought the payments would not be withdrawn. Combining this with the result for the preceding situation, there was a segment of participants who in a situation where they could not afford to make payments would not return the Agreement and would not expect payments to be withdrawn from their bank account.

Among participants who believed the payments would be withdrawn anyway, some specifically indicated that this was because when one signs the initial loan agreement one agrees to make payments, so CSLP has the legal authority to withdraw the payments. This level of knowledge was not the norm, however. More often the belief was based on experience (their own or someone else's), a general sense that this is how the program would work, or the following text on the back of the letter: *It is important to note that if you do not indicate a preferred method of payment, we will automatically withdraw your monthly loan payments from the bank account shown on the enclosed Consolidated Student Loan Agreement.*

Participants who did not believe payments would be withdrawn if they did not return the Agreement did assume there still would be negative consequences. In particular, they were likely to point to the first sentence in the *What you should remember* section of the letter, *Missing payments will affect your credit rating*. They interpreted this sentence as saying if they do not return the Agreement and do not voluntarily make payments, their credit rating will suffer -- and that is all (except possibly for a build-up of interest or some penalties). In essence, they inferred from this sentence that one will be allowed to "miss payments" even if one has money in the bank. Several participants also questioned the legal authority of the CSLP to take money without written pre-authorization in the form of a signed Agreement.

Associated with the discussions of the above two situations, participants made various suggestions for changes to the Consolidation Package to increase the salience of the "sign and

return" message to borrowers who might not return it because of inability to make payments:

- **Letter**
  - -- Some participants suggested adding an explanation of why borrowers are being asked to sign and return the Agreement, and particularly of what will happen if they do not -- i.e., payments will be withdrawn anyway.

    However, it should be noted that several participants also cautioned that telling borrowers that payments will be withdrawn anyway could cause some borrowers, who are able to pay, not to return the Agreement. That is, borrowers who are comfortable with the default payment scheme and banking information could interpret this message as meaning they do not have to do anything with the Agreement.
  - -- In the section *What you should remember*, some participants suggested bolding the last sentence: *Please note that you must sign and return your Agreement in order to qualify for these programs*. As noted above, some participants did not take note of this sentence.
  - -- Some participants suggested adding an explanation of how to fill in the Agreement in a situation where one knows one will not be able to start making payments on the first due date.
- ***Step-by-Step Guide***

  A few participants suggested that at Step 3, *Sign Your Agreement*, it should be stated to sign and return the Agreement even if one is planning to apply for IR.
- ***Having Trouble***

  Some participants suggested stating in the section on IR that it is still necessary to sign and return the Agreement. One participant suggested that this message should be stated for all the programs described in *Having Trouble*, since all require that the Agreement be returned.
- **Agreement**

  Some participants suggested adding a check box that would allow the borrower to indicate they cannot afford to make payments and will, for example, be applying for IR.

OVERALL IMPRESSIONS OF THE CONSOLIDATION PACKAGE

COMPARISON TO RECALL OF CURRENT PACKAGE

Participants were asked for their impressions of the draft revised Consolidation Package compared to what they could recall of the package they had received (note that the current package was not shown in the focus groups). There was a widespread perception that the draft revised package is better than the current package. In particular, participants noticed and liked the inclusion of the two new pieces, the *Step-by-Step Guide* and *Having Trouble*:

- The *Step-by-Step Guide* was perceived to provide a clear, easy to follow guide for what to do with the Consolidation Package, and to provide some useful information about options for how to complete the Agreement.
- *Having Trouble* was perceived as providing more information than is available in the current package about options for borrowers who face difficulty making loan payments -- a topic

many felt is very important to address in the Consolidation Package. It also contributed to a perception that the revised Consolidation Package is more understanding of the financial pressures some borrowers can be under.

- The two documents together contributed to a perception that the draft revised Consolidation Package is easier to understand and deal with than the current package. This was based both on the content of the two documents, and their graphic design and use of colour. Some participants commented that the draft revised package comes across as "friendlier" and "less intimidating."

With regard to the Agreement, participants were generally not able to recall and comment on the specific content of the current Agreement in comparison to the draft revised Agreement. However, they did tend to recall the current Agreement as having much more text than the draft revised Agreement. By comparison, the draft revised Agreement tended to be perceived globally as less overwhelming to look at and therefore possibly easier to deal with.

Most participants could not recall and comment on specific content of the current letter in comparison to the draft revised letter. However, all those who did have impressions favoured the draft revised letter, perceiving it as generally more clear, and easier to read and understand.

PERCEPTION OF HOW WELL COMPONENTS OF THE PACKAGE WORK TOGETHER

The components of the package were widely perceived as working well together, and as making sense as a package:

- The letter provides the detailed statement of what the borrower needs to know about preparing to repay their loan(s).
- The *Step-by-Step Guide* provides an action-oriented summary of what to with Agreement.
- *Having Trouble* provides important additional information for those anticipating difficulty making loan payments.

There were several areas where some participants did suggest changes to help the components of the package work better together:

- **Consistency of terminology:** A specific issue raised by a number of participants was use of the phrase "capitalized interest" and references to interest from the grace period. A number of participants were uncertain as to the meaning of "capitalized interest." Often they guessed -- with varying degrees of confidence -- that it is the interest that accumulates during the grace period, but some did not know what it refers to, and several misunderstood it to be the entire interest payable during the life of the loan. Many participants pointed out that none of the documents explicitly interrelate capitalized interest and interest from the grace period. In particular, the letter talks only about interest from the grace period and never uses the phrase "capitalized interest", while the Agreement never refers to the grace period and instead only refers to "capitalized interest." Participants strongly recommended that at least the letter clearly and explicitly relate these two concepts, and that consistent language be used across the documents.

  Note that the *Step-by-Step Guide* also does not explicitly relate these two concepts: grace period interest is referred to in Step 2 -- but not capitalized interest, and capitalized interest is

referred to in the tip *Lump Sum and Capitalized Interest Payments* -- but not interest from the grace period.

- **Cross-references among the documents:** A number of participants identified one specific place where they felt there should be a cross-reference -- namely, the *What you should remember* section of the letter, which briefly mentions IR and other options, should refer the reader to *Having Trouble* for additional information on these options.
- **Consistency of "look":** Some participants suggested there should be more shared graphic design elements in order to better connect visually the different documents in the package.

UNDERSTANDING THAT THE CONSOLIDATION PACKAGE DOES NOT PERTAIN TO PROVINCIAL STUDENT LOANS

Most participants said it was clear the package pertains to Canada Student Loans or integrated student loans, and not to provincial student loans. This was because of the various references to the "National Student Loans Service Centre" and to the use of "Canada" to label the loans shown in the Agreement.

However, there were some who felt that package could do a bit more to clarify that provincial student loans are not addressed in the package. Suggestions were made with respect to two specific places in the package:

- **Introductory paragraph of the letter:** For reference, the first paragraph is:

  > Your student loan(s) become payable as of **3/1/2007**. It is important that you are aware of your repayment arrangements. Read the information provided in this letter. Review the details of your "Consolidated Student Loan Agreement" and then complete, sign and return it.

  Some participants said they might think when starting to read the letter that it pertains to all of their student loans, including a few who said the word "consolidated" would have this implication for them. They suggested the first sentence be revised to clarify the scope of the package. For example, one suggestion was to say, "The federal portion of your student loan(s)..."

  Several participants also suggested adding a sentence specifically referring to the possibility of a provincial loan -- e.g., one participant suggested, "You may also have a provincial portion owing, for which you will be notified by the appropriate financial institution." Their concern was that when seeing the summary of *Total Balance Owing* and *Total Monthly Payment*, a borrower might jump to the conclusion that this is the entirety of what they will owe and how much they will have to pay each month. They felt it would be helpful to remind borrowers that they may have additional student loan amounts to pay beyond what is in the package.
- ***Having Trouble* magnet:** Currently the first line of the magnet says *Student Loans?* Several participants suggested this should say "Canada Student Loans?", to clarify that the contact information on the magnet applies only to Canada Student Loans.

LETTER

Overall participants had a generally positive reaction to the letter, saying they found it clearly written and easy to understand. Specific aspects of the letter mentioned by at least some participants as being particularly liked included the following:

- Summary information on *Total Balance Owing* and *Total Monthly Payment* in the upper-right corner of the letter
- Use of bold font to emphasize certain items:

  Many participants particularly liked the bolding of key dates throughout the letter.

  Many also like the bold font to highlight certain messages -- specifically:

  -- In the *What you should remember section*, the first sentence: *Missing payments will affect your credit rating*. A number of participants said borrowers may not always realize this, and that it is important to bring this to their attention.

  -- In the *What to consider if you are still in school* section, the first sentence: *If you are currently a full-time student you need to let us know immediately*. This sentence, and the section as a whole, were considered very important given that people still in school are not supposed to do anything with the Agreement, and are supposed to notify the NSLSC. In this section, participants also liked that it tells the borrower specifically what to do to confirm enrolment.
- Use of headings to break up and to organize the information in the letter

  This was perceived as making the letter much more readable than if headings were not used.
- The entire section, *What we're asking you to do* at the beginning of the letter

  This was seen as stating clearly and succinctly what the borrower has to do with the package. A number of participants also liked the inclusion of a postage-paid envelope.
- Explanation that the grace period is not interest-free

  Some participants commented that this message came through more clearly in this version of the letter than what they could recall of the letter they received.

  It should be noted that some participants also said they had not known this, and felt that because interest is charged it is misleading to refer to this period of time as the "grace period."
- *How to contact us* section

  In addition to liking the section as a whole, many participants specifically mentioned liking the explanation of what can be done on the *www.canlearn.ca* website, and said they were not aware of all these capabilities of the website.
- The entire section, *How to Establish Your Repayment Arrangements*, including the bulleted summary of repayment options, and the additional detail on each option

  Some participants said the note on what will happen if a preferred method of payment is not indicated is important, and is appropriately bolded.

PARTICIPANT ISSUES AND SUGGESTIONS

The following summarizes issues and suggestions pertaining to the letter mentioned by participants. The results are organized by sections of the letter, including an "other" category at the end to address issues that do not pertain to a specific section.

Top-Right Loan Summary Information

As noted earlier, many participants liked the summary loan information provided in the top-right corner of the letter, because it provides a quick, easy-to-see overview of key information about the loan. The two pieces of information provided are *Total Balance Owing* and *Total Monthly Payment*.

Some participants suggested additional pieces of information be provided. The types most likely to be suggested were:

- Date of first monthly loan payment.
- Loan number(s): This was suggested by some participants because they noted they need to refer to the loan number when contacting the NSLSC, so it would be helpful to have this quickly accessible via the summary section.

Other suggested additions included:

- A few participants suggested showing the amortization period -- i.e., for how long the borrower will be paying off the loan.
- One participant suggested showing the date by which the Agreement must be returned.

With regard to the *Total Monthly Payment*, a few participants suggested that somehow the idea that this amount can be revised should be conveyed. This was in the context of their own reaction to the amount shown in their package, which was a high level of concern over being able to afford the amount shown. One suggestion, for example, was to say, "Default Monthly Payment."

Introductory Paragraph

For reference, the introductory paragraph is:

> Your student loan(s) become payable as of **3/1/2007**. It is important that you are aware of your repayment arrangements. Read the information provided in this letter. Review the details of your "Consolidated Student Loan Agreement" and then complete, sign and return it.

As discussed earlier:

- Some participants suggested adjustments to clarify that the package pertains only to Canada Student Loans or integrated loans, and not to provincial loans (see section *Understanding that the Consolidation Package Does Not Pertain to Provincial Student Loans*, p. 10).
- One participant suggested adding the phrase "you must" to the "complete, sign and return it", to emphasize the requirement to return the Agreement. There was also a suggestion to add the date by which the Agreement must be returned.

One participant questioned stating the date the loan becomes payable, because they viewed this as a relatively unimportant date. This person felt the key dates are when the Agreement must be

returned, and when the first loan payment must be made. They suggested that if any date is stated in the first paragraph, it should be the date the first loan payment is due.

What we're asking you to do

For reference, this section was:

> You must sign Copy 1 of your Agreement and return it to the National Student Loans Service Centre (NSLSC) no later than **2/22/2007**. A postage paid envelope has been enclosed for your convenience. Copy 2 is for your records. Use the "**Step-by-Step Guide**" to assist you in completing your Agreement.

As discussed earlier (see section *Suggestions Focused on At-Risk Borrowers*, p. 9), some participants suggested adding an explanation of why the Agreement should be returned, and the consequences of not returning it, particularly to motivate those who might not return the Agreement because of concerns over ability to pay. The *What we're asking you to do* section was specifically suggested as the place to do this.

What you need to know

For reference, this section was:

> Your first payment (above) will be deducted on **3/31/2007** from the bank account indicated on your Agreement. Payment withdrawals will continue to be made from this account on the last day of each month. If this information is blank on your Agreement or if you wish to change the account shown, complete this in the Pre-Authorized Payment section or call the NSLSC for assistance.
>
> Your six-month "Grace" period will end on **2/22/2007**. While you have not been required to make loan payments, this period is not interest free. The interest will be added to your principal balance, **or** you can pay the interest accrued on or before your first payment due date - **3/31/2007**. To pay the interest, choose this option on the Agreement or send the funds separately.

With regard to the first paragraph:

- A few participants who personally preferred not to use pre-authorized payment felt that the first sentence assumes that pre-authorized payments will be used, and does not reflect the existence of the choices in repayment options described on the reverse side of the letter.
- Some participants said the letter, and probably specifically this paragraph, should refer to the option to change the date on which monthly payments are withdrawn. This option is on the Agreement, and they felt the letter should flag it as part of helping the borrower understand the Agreement.

With regard to the second paragraph:

- Many participants said this paragraph should use the phrase "capitalized interest" and explain how it relates to the grace period interest. As discussed earlier (see section *Perception of How Well Components of the Package Work Together*, p. 10), a number of participants were uncertain about the meaning of this phrase, and were frustrated that it is not explained at all in the letter. Note that this explanation would probably also help the several participants who said they did not understand the sentence, *The interest will be added to your principal balance...*, or how to make a decision on whether to pay the capitalized interest prior to the first payment due date.

What you should remember

For reference, this section was:

> **Missing payments will affect your credit rating.** If you cannot start making your payment(s) now, or experience difficulty making payments in the future, contact the NSLSC to discuss options that may be available to you (such as Interest Relief, Revision of Terms and Debt Reduction in Repayment). Please note that you must sign and return your Agreement in order to qualify for these programs.

As discussed earlier:

- Some participants suggested bolding the last sentence, in order to motivate people interested in IR to nonetheless sign and return the Agreement (see section *Suggestions Focused on At-Risk Borrowers*, p. 9).
- Some participants suggested referring the reader to *Having Trouble* for additional information about the options available to those anticipating difficulty making payments (see section *Perception of How Well Components of the Package Work Together*, p. 11). They felt the letter as is under-emphasizes the available options, but also felt that it is probably better not to add the information about these options to the letter, since it is not relevant to everyone.

Some participants suggested changing the title of this section. They felt the existing title is too "generic" or non-specific given what is discussed in the section. They suggested the title should somehow refer to difficulty in making payments. It was also suggested the latter sort of title would be more likely to get the attention of people anticipating difficulties making payments, and perhaps more effectively convey to this group the need to sign and return the Agreement.

What to consider if you are still in school

For reference, this section was:

> **If you are currently a full-time student you need to let us know immediately**. If you don't advise us of your ongoing studies, you will be responsible for repaying your loan(s), including all the interest accumulated up to the date we receive your Confirmation of Enrolment. If you have student loan(s) with financial institutions, you must also inform them of your ongoing studies, otherwise these loan(s) will become repayable as well.
>
> To confirm your enrolment, visit your school's financial aid office and complete the Confirmation of Enrolment form. Send the completed form to the NSLSC and/or the Financial Institution holding your loan. If we receive proof of your enrolment before **3/1/2007**, then there is no need to return the enclosed Agreement.

Some participants felt this section should be more prominent in the letter. Suggestions included moving it to the beginning of the letter, or boxing it. The reason was that a number of people receiving the package will still be in school, and these borrowers need to realize quickly when looking at the letter that (a) they are not supposed to do anything with the Agreement, and (b) they need to be sure to confirm enrolment. Several participants commented that in the past while they were still in school and had received the package, they were confused about what they were supposed to do.

A few participants with "old" student loans with financial institutions commented on the last sentence of the first paragraph. They suggested that it would be helpful to incorporate the date criterion that is used in *Having Trouble* in a paragraph about these loans -- i.e., *If your student loan is from before August 1, 2000.*

How to contact us

For reference, this section was:

> If you have any questions, you can contact us Monday to Friday, between 8:00 a.m. and 8:00 p.m. your local time.
>
> ☎ Toll free: 1 866 587-7452 (within North America)
> 1 416 503-6670 (collect call outside North America)
> 1 800 855-0511 (for the hearing impaired – TTY)
> 1 866 587-7453 (fax within North America)
>
> Visit **www.canlearn.ca** and register for NSLSC On-Line Services. Once registered, you can check your balance, view or print your statement, and change your address. Please ensure we have your current address and telephone number at all times so we can continue to provide you with important information about your loan.

Some participants suggested adding an email address to the listing of contact information.

A number of participants felt the website component needed to be made more prominent. As noted earlier, many participants liked the explanation of what borrowers can do at the website, and learned things they had not known before. Suggestions included:

- Incorporate the website in the chart as a heading equivalent to *Toll free*, and put the activities one can do at the website in the indented section.
- Make the website a completely separate section. Participant suggestions for what the section heading might be included "How to check your status", "Web information", "Review your loan", and "Monitor your loan."
- Also incorporate the website address into the footer of the letter.

One participant noted that the *Step-by-Step Guide* lists *Revise your payment terms* as something one can do at canlearn.ca, and said this capability should also be mentioned in the letter.

How to Establish Your Repayment Options

For reference, this section was:

> **You can choose to repay your loan(s) using one of the following payment options**
> - Pre-Authorized Payment Plan
> - Online or Telephone Banking
> - Cheque or Money Order
>
> **It is important to note that if you do not indicate a preferred method of payment, we will automatically withdraw your monthly loan payments from the bank account shown on the enclosed Consolidated Student Loan Agreement.**
>
> **Pre-Authorized Payment Plan**
> We encourage you to take advantage of the Pre-Authorized Payment Plan, where your payments are automatically withdrawn from your bank account every month. It is the easiest way to ensure your payments are made in full and on time. If you select this option, be sure to review the banking information on your *Consolidated Student Loan Agreement* to ensure that it is correct.
> If no banking information has been provided on your *Agreement*, please complete it and attach a void cheque when you return it to the National Student Loans Service Centre (NSLSC). If you plan to have your loan payments withdrawn from another person's account, the name and signature of the account holder is required in the **Pre-Authorized Payment Plan Information section** of the agreement.

Online or Telephone Banking
You can also make your monthly student loan payments using your financial institution's online or telephone banking services. To arrange for this option, contact your financial institution or visit their Web site and add "National Student Loans Service Centre – Public Institutions Division" to your bill payment list. Use your loan number(s) as your account number(s).

Payment by Cheque or Money Order
If you prefer to send cheques or money orders, they should be made out to the **Receiver General for Canada** and sent to the NSLSC on or before your monthly payment due date. If you hold more than one loan with us, please state the different loan numbers and amounts to be applied to each loan in the memo section of the cheque or money order and include your personal account number on each cheque.

There were no major suggestions for changes to this section of the letter. The few comments mentioned included:

- One participant felt the title does not stand out enough, and thought that perhaps the problem is that is too high up on the page.
- One participant, who used online banking, said they had great difficulty naming the payee, because "National Student Loans Service Centre - Public Institutions Division" did not fit in the entry box provided at their financial institution's website.
- One participant suggested the *Payment by Cheque or Money Order* section should state the mailing address of the NSLSC.
- A few participants felt the entire section should be moved to the first page of the letter, on the grounds that selecting a repayment method is an important practical step in setting up loan repayment. They would have moved *What to consider if you are still in school* and *How to contact us* to the reverse side of the letter.

  Note that in one group where this suggestion was made, another participant disagreed, saying that the current first page covers topics all borrowers should be aware of and consider, while choosing a repayment method is a "Step 2" to be made after more basic decisions about loan repayment have been made.

Other Participant Issues and Suggestions

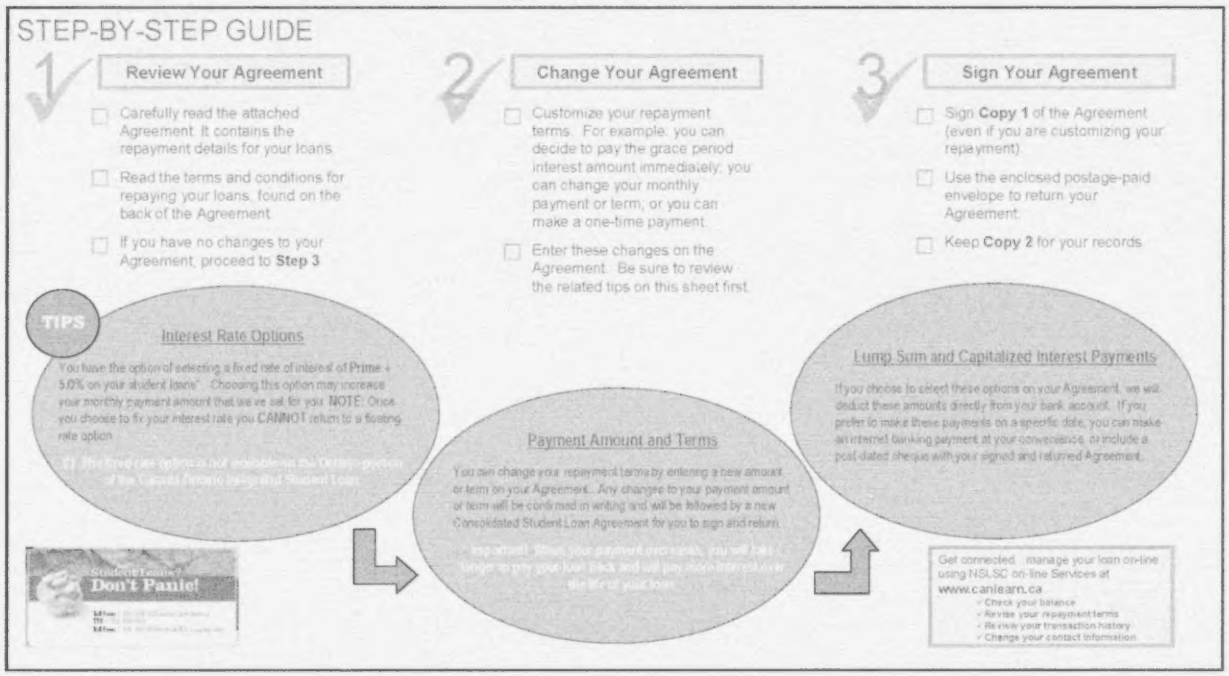
- Many participants complained about the numeric date format on the grounds that it is ambiguous. For example, the letter gives "3/1/2007" as a key date, and this can be interpreted as either March 1 or January 1. The most common suggestion was to spell out dates rather than use a numeric format. Alternatively, some participants suggested stating upfront in the letter how numeric dates should be read.
- One of the questions participants were asked was whether one can make lump sum payments, and if so how one would do this on the Agreement. Most participants inferred from the *Make a lump sum payment of* field on the Agreement, or from the reference to lump sum payment in the *Step-by-Step Guide*, that borrowers can make a lump sum payment. However, some were a bit confused -- for example:
  - -- Not sure if you can make a lump sum payment, because banks sometimes don't allow this or charge penalties for early payment
  - -- Not sure if you can make a lump sum payment at some later time, although it is clear that you can at the time you send in the Agreement

-- Not sure if the lump sum payment on the Agreement is a one-time thing or whether one is committing to continuing/regular lump sum payments

Overall, some participants suggested that since the Agreement offers the possibility of making a lump sum payment, there should be text in the letter providing information about this option. Note that in one group a participant noted that Terms and Conditions on the back of the Agreement states, *You may, at any time within the period of this agreement, repay all or part of the principal balance of the loan that you are obligated to pay under this agreement, together with any interest accrued to date of such payment without notice or penalty*. Participants in that group all agreed that this information (in simpler language) should be in the letter.

- With regard to the fact that interest accrues during the grace period, a number of participants commented that they would have liked to have known this earlier, in the event they could have started paying their loan earlier and avoid this interest build-up. This is not an issue with the letter, but is possibly an issue with overall communication with borrowers. Participants said they would have liked to have known about this either before graduation (but not during exam time) or around graduation.
- A few participants said it was not sufficiently clear that the letter has printing on both sides. One suggestion was to increase the font size of the text, *Page 1 or 2*, at the bottom of the first page.

STEP-BY-STEP GUIDE


STEP-BY-STEP GUIDE
1
Review Your Agreement
Carefully read the attached Agreement. It contains the repayment details for your loans.
Read the terms and conditions for repaying your loans, found on the back of the Agreement.
If you have no changes to your Agreement, proceed to Step 3
2
Change Your Agreement
Customize your repayment terms. For example, you can decide to pay the grace period interest amount immediately; you can change your monthly payment or term; or you can make a one-time payment.
Enter these changes on the Agreement. Be sure to review the related tips on this sheet first.
3
Sign Your Agreement
Sign Copy 1 of the Agreement (even if you are customizing your repayment).
Use the enclosed postage-paid envelope to return your Agreement.
Keep Copy 2 for your records.
TIPS
Interest Rate Options
You have the option of selecting a fixed rate of interest of Prime + 5.0% on your student loans*. Choosing this option may increase your monthly payment amount that we've set for you. NOTE: Once you choose to fix your interest rate you CANNOT return to a floating rate option.
Payment Amount and Terms
You can change your repayment terms by entering a new amount or term on your Agreement. Any changes to your payment amount or term will be confirmed in writing and will be followed by a new Consolidated Student Loan Agreement for you to sign and return.
Lump Sum and Capitalized Interest Payments
If you choose to select these options on your Agreement, we will deduct these amounts directly from your bank account. If you prefer to make these payments on a specific date, you can make an internet banking payment at your convenience, or include a post-dated cheque with your signed and returned Agreement.
Don't Panic!
Get connected... manage your loan on-line using NSLSC on-line Services at www.canlearn.ca
Check your balance
Revise your repayment terms
Review your transaction history
Change your contact information

Overall reaction to the *Step-by-Step Guide* was very positive: almost all participants felt this would be a very important and useful addition to the Consolidation Package.

Key positive perceived aspects of the *Step-by-Step Guide* included:

- The *Guide* provides a summary, and very importantly, an action-oriented summary -- i.e., a clear, concise listing of what the borrower has to do. Participants said this is much easier to work with than trying to figure out all that has to be done by a combination of reading the letter and looking over the Agreement.
- The checklist structure was widely appreciated. By using this structure, the *Guide* is perceived to clearly and concisely lay out, step-by-step, what the borrower should do. Some participants, for example, said that when they received their package they were not sure "what to do first." The *Step-by-Step Guide* solves this problem.
- The language was perceived to be simple and easy to understand.
- The use of colour and graphic design to present the *Guide* was widely liked (although, as discussed later, there were issues with some specific aspects of the graphic design). This colourful, pictorial approach was seen as contributing to the user-friendliness of the *Guide*, and as giving the package as a whole a friendlier feeling.
- Many participants liked the general idea of including "tips" in the *Guide*.
- Many participants particularly liked inclusion of the yellow box with the information about what a borrower can do at the canlearn.ca website. As noted in the previous chapter on the

letter, many participants were not previously aware of all those things one can do at the website.

PARTICIPANT ISSUES AND SUGGESTIONS

Graphic Design and Layout

- Specific participant suggestions pertaining to graphic design are given in subsequent bullet points, but a general comment some participants made was that the graphic design looked to them to be somewhat "amateur", and that in general the *Guide* should have a more "professional" graphic design.
- Some participants said the *Step-by-Step Guide*, in contrast with the other documents in the package, does not look "official", does not look as "serious", or that it looks like "advertising." Suggestions included:
  - -- Put "National Student Loans Service Centre" on the *Guide*, similar to how it appears on the letter and the Agreement.
  - -- Put the Canada wordmark on the *Guide*, similar to *Having Trouble*

    In this regard, one participant suggested incorporating the heading design of *Having Trouble*, i.e., both the Canada wordmark and the green title bar for "Step-by-Step Guide."
- With regard to the graphic design associated with the green "tip" ovals:
  - -- Some participants suggested that from a graphic design perspective, the step-by-step checklists should be perceived as primary elements of the document, and the tips as secondary elements. They felt, however, that the current design gives more visual prominence to the tips than to the step-by-step checklists.
  - -- Some participants said the graphic design implies a connection between each of the three "steps" and the tip appearing below. That is, that one is supposed to read Step 1, then the tip below that (*Interest Rate Options*), then Step 2, then the tip below that, and so forth. They felt, however, that there actually is no content connection, and that the tips are independent of the "steps."

    Two sorts of suggestions were made: (1) move the tips to the end -- i.e., the right-hand side of the document, or (2) make the document double-sided and put the tips on the reverse side.
  - -- One participant questioned the arrows linking the tips, because they did not believe there is any inherent order in which the tips should be read.
- A number of participants felt the website information in the yellow box should be more prominent in the design of the *Step-by-Step Guide*, because of the perceived importance and value of this information.

  It should be noted, though, one participant cautioned that a reader could infer that from the information in the yellow box that it is not necessary to sign and return the paper Agreement and that alternatively one can go online to consolidate the loan(s). If the decision is made to increase the prominence of the website information, this potential for misunderstanding should be kept in mind.

- The *Student Loans? Don't Panic!* was considered too small to be useful. This appeared to be the magnet that is on *Having Trouble*, and if so it would be sufficient to have it on the latter document.
- One participant asked whether the intent with the *Step-by-Step Guide* was to provide this in a folded pamphlet format. If so, they said the graphic design would need to be adjusted to accommodate the fold lines.

"Steps"

- **Step 2:** Several participants were concerned that the language used in Step 2 conveys the idea the borrower is supposed to change the agreement (e.g., the heading *Change Your Agreement*, and the first sentence, *Customize your repayment terms*). They did not feel the document was clearly conveying the possibility of accepting the default repayment scheme shown in the Agreement.

  Note that this perceived issue ties in with the ending of Step 1, *If you have no changes to your Agreement, proceed to Step 3*. It is possible that this would need to be altered as well.

  Other comments on Step 2 included:

  -- A few participants noted that Step 2 refers to grace period interest but not to capitalized interest, while the relevant tip (*Lump Sum and Capitalized Interest Payments*) refers to capitalized interest but not to the grace period. They would prefer more consistent use of terminology, including defining capitalized interest.

  -- One participant suggested that the last sentence of Step 2, *Be sure to review the related tips on this sheet first*, should be in first position, not last.

- **Step 3:** As mentioned earlier in the report (see section *Suggestions Focused on At-Risk Borrowers*, p. 9), a few participants suggested that at Step 3, *Sign Your Agreement*, it should be stated to sign and return the Agreement even if one is planning to apply for IR -- in order to ensure those planning to apply for IR realize they are supposed to do this.

"Tips"

- ***Interest Rate Options:*** While a number of participants appreciated inclusion of a tip on this topic, it was also the case that a number of them felt the tip did not go far enough. Specifically, they wanted the tip to provide more guidance on how to make a choice between the two interest rate options, as they did not feel they knew enough to make an intelligent decision.
- ***Payment Amount and Terms:*** As will be seen in the next chapter on the revision of terms section of the Agreement, some participants felt the package needs to provide more guidance on to what extent the borrower can change the terms shown in the Agreement. It was suggested this tip would be a place to provide such guidance.
- ***Lump Sum and Capitalized Interest:*** Several participants said they found this whole tip to be confusing. It is likely this is related to two issues that have already been noted elsewhere in the report: (1) the phrase "capitalized interest" is not defined in the package, (2) the Agreement offers the option of a lump sum payment, but there is no text in either the letter or the *Guide* that explains this option.

One participant suggested information be provided on how the terms of the loan would be revised to accommodate a lump sum payment -- i.e., would the monthly payment be lowered, would the term be reduce, or both.

CONSOLIDATED STUDENT LOAN AGREEMENT AND REPAYMENT FORM

The image at the right shows the draft revised Agreement for a province (Ontario) which has integrated student loans. Note that in the groups, participants were asked to focus on this first page of the Agreement, and not on the Terms and Conditions on the reverse side.

Most participants did not have clear recall of the current Agreement, but a number recalled it as being a long page filled with dense text. By comparison, the draft revised Agreement, with its different layout and large amount of white space, appeared to be easier to look at and read, and easier to deal with.

Other general aspects of the draft revised Agreement that participants liked included:

- The summary information for the loan as a whole, as well as for each individual loan. This was perceived to be clear, well laid out, and quickly visible.
- In this example shown, where information is provided on two student loans, each loan is perceived to be clearly labeled.
- Some participants commented that they liked the graphic design of the signature block with the thick black line: this makes the signature area stand out and look important.

National Student Loans Service Centre

CONSOLIDATED STUDENT LOAN AGREEMENT AND REPAYMENT FORM

NATIONAL STUDENT LOANS SERVICE CENTRE
P.O. BOX 4130
MISSISSAUGA, ONTARIO L5A 4M4 1 888 815-4514

DATE
PHONE NUMBER (DAYTIME)
DATE OF BIRTH (DAY / MONTH / YEAR)
SIN

Borrower's full legal name and address: MAY P. LEAF, 123 BEST STREET, ANYWHERE ON K1A 1A2

Total Monthly Payment: $326.68
Total Balance Owing: $25,587.50
First Payment Due Date: 3/31/2007
Payment Frequency: Monthly

NOTE: LUMP SUM AND CAPITALIZED INTEREST PAYMENTS WILL BE DEBITED WHEN THIS AGREEMENT IS RECEIVED

Change my Date To _____ (Day / Month / Year) This change will not be applied to your First Payment Due Date.

The first monthly payment for all your loans is due on 01/03/2007. Interest will be calculated at a floating interest rate of Prime + 2.5%. Prime is currently 6.00%. If you prefer a Fixed Interest Rate of Prime + 5%, please contact us.
If you have a Canada-Ontario Integrated Student Loan, the floating interest rate on the Ontario portion of your loan will be calculated at Prime + 1%.

SUMMARY OF REPAYMENT DETAILS: Canada Student Loan

Loan Number: 8765432 1

			Enter or circle your choice
Principal Balance:	$7,007.42	**Pre-Authorized Pay the Capitalized Interest Now:**	Yes / No
Capitalized Interest:	$295.37		
Principal plus Capitalized Interest:	$7,302.79		
Outstanding Interest Owing:	$0	**Make a lump sum payment of:**	$
		Change only one (we will automatically adjust the other)	
Monthly Payment Amount:	$93.58	Change My Payment Amount:	$
Amortization Period:	114 months	Change my Term:	months

SUMMARY OF REPAYMENT DETAILS: Canada – Ontario Integrated Student Loan

Loan Number: 12345678

			Enter or circle your choice
Principal Balance:	$17,535.81	**Pre-Authorized Pay the Capitalized Interest Now:**	Yes / No
Capitalized Interest:	$728.90		
Principal plus Capitalized Interest:	$18,284.71		
Outstanding Interest Owing:	$0	**Make a lump sum payment of:**	$
		Change only one (we will automatically adjust the other)	
Monthly Payment Amount:	$233.10	Change My Payment Amount:	$
Amortization Period:	114 months	Change my Term:	months

PRE-AUTHORIZATION PAYMENT PLAN INFORMATION

Bank: 004 – TD Canada Trust
Transit: 0197 Account: 7654321

☐ I do not wish to use the Pre-Authorized Payment Plan for my student loan payments.
Payments are to be made payable to the Receiver General for Canada.
☐ Please set me up on pre-authorized payment/change my Payment Account information to (please attach a void cheque)

Bank _____ Transit _____ Account _____
Name and Signature of account holder if not the borrower named on this Agreement.
Printed Name: _____ Signature: _____

IMPORTANT: ADDITIONAL TERMS AND CONDITIONS OF REPAYMENT OF YOUR STUDENT LOANS ARE SET OUT ON THE REVERSE OF THIS DOCUMENT. PLEASE READ THEM CAREFULLY BEFORE SIGNING THIS FORM. YOUR SIGNATURE ON THIS DOCUMENT MEANS YOU HAVE ACCEPTED ALL THE TERMS AND CONDITIONS OF REPAYMENT AND AGREE TO REPAY YOUR LOAN IN ACCORDANCE WITH THESE TERMS AND CONDITIONS.

SIGNATURE

DATE (Day / Month / Year)

Please return a **signed copy** of this Consolidation Agreement to the National Student Loans Service Centre **no later than 5 days prior to your consolidation date** (the last day of the sixth month after the month in which you ceased to be a full-time student).

Note that participants were asked whether they believed they could change the loan repayment terms at some later time if their financial circumstances change. Virtually all assumed they would be able to.

PARTICIPANT ISSUES AND SUGGESTIONS

National Student Loans Service Centre

PLEASE TYPE OR PRINT IN BLOCK LETTERS

CONSOLIDATED STUDENT LOAN AGREEMENT AND REPAYMENT FORM

NATIONAL STUDENT LOANS SERVICE CENTRE
P.O. BOX 4030
MISSISSAUGA, ONTARIO L5A 4M4 1 866 587-7452

DATE: 1/16/2007
PHONE NUMBER (BORROWER): 555 123-4567
DATE OF BIRTH (DAY/MONTH/YEAR): 2/10/1978
SIN: 987 654 321

Borrower's full legal name and address: KRISTA C. LIER
123 BEST STREET
ANYWHERE NS B0R 1A2

Total Monthly Payment:	$408.44	NOTE: LUMP SUM AND CAPITALIZED INTEREST PAYMENTS WILL BE DEBITED WHEN THIS AGREEMENT IS RECEIVED
Total Balance Owing:	$31,873.40	
First Payment Due Date:	3/31/2007	
Payment Frequency:	Monthly	

Change my Date To _____ (Month/ Day/ Year) This change will not be applied to your First Payment Due Date

The first monthly payment for all your loans is due on 01/03/2007. Interest will be calculated at a floating interest rate of Prime + 2.5%. Prime is currently 6.00%. If you prefer a Fixed Interest Rate of Prime + 5%, please contact us.

SUMMARY OF REPAYMENT DETAILS: Canada Student Loan

Loan Number: 87654321 — Enter or circle your choice

Principal Balance:	$30,584.25	**Pre-Authorized Pay the Capitalized Interest Now:**	**Yes / No**
Capitalized Interest:	$1,289.15		
Principal plus Capitalized Interest:	$31,873.40		
Outstanding Interest Owing:	$0	**Make a lump sum payment of:**	$

Change only one (we will automatically adjust the other)

Monthly Payment Amount:	$408.44	Change My Payment Amount:	$
Amortization Period:	114 months	Change my Term:	months

Change of Date

A number of participants were somewhat confused by this section. They tended to assume that it had to do with changing the day of the month payments are withdrawn, but were thrown off by the requirement to specify a month and year. The latter fields seemed to imply that one could change the time when loan payments start to be withdrawn, but this implication is contradicted by the sentence to the right stating, *This change will not be applied to your First Payment Due Date*.

Participants made two suggestions:

- Remove the requirement to provide a month and year. Note that in one focus group the moderator asked whether the following would work: *Change my payment to the ___ of every month*. Participants agreed that this was a clear way of asking for the day of the month on which payments should be withdrawn.
- Some participants suggested it would also help if the letter (e.g., the first paragraph of *What you need to know*), mentioned it is possible to change the day of the month on which payments are withdrawn.

One participant asked whether, if one changes the withdrawal date to, e.g., the 15th, whether the gap time between the first withdrawal date on the 31st and the next withdrawal date is 15 days or 45 days.

Interest Rate Option

A few participants questioned why a smaller font was used for this section -- although, this did not appear to be an issue for the majority of participants.

Summary of Repayment Details: Loan Summary

A few participants said the length of the amortization period would be more readily understandable if it was expressed in years rather than in months.

Summary of Repayment Details: *Pre-Authorized Pay the Capitalized Interest Now*

Participants were asked the following question, which took its wording from the language used in the *What you need to know* section of the letter:

> Suppose you want to pay the interest from the "Grace" period before the first loan payment is due. On the *Consolidated Student Loan Agreement and Repayment Form*, please fill in the section...to do this.

A number participants filled in the section in a way that work: some circled "yes" next to *Pre-Authorized Pay the Capitalized Interest Now*, and a smaller number did not circle "yes" or "no" but wrote in the capitalized interest amount in the lump sum payment box.

However, there was also a number of participants who both circled "yes" and filled in the capitalized interest in the lump sum payment box. They did not realize that this would result in the capitalized interest amount being withdrawn from their bank account two times.

Some participants either did not fill in anything because they were confused by this section of the Agreement, or filled something in but felt uncertain whether they were doing it correctly.

There were several factors contributing to the variability in answers and the feelings of uncertainty:

- A number of participants were uncertain about the meaning of the phrase "capitalized interest", and how this relates to grace period interest. As has been discussed elsewhere in the report, many participants suggested that capitalized interest be defined, and that across the documents there be consistent use of terminology. This suggestion would definitely affect the letter, and could affect choice of words in the Agreement as well, depending on how this issue is addressed.
- A number of participants suggested that the input areas for paying capitalized interest and making a lump sum payment somehow need to be visually more separate from each other, so that they look like separate sections. Several suggestions were made:
  - -- Keep the horizontal arrangement of the *Summary of Repayment Details*, but do something to separate the two sections by, e.g., putting in lines or boxes.
  - -- Structure each to require a yes/no answer as to whether the borrower wants to make use of the option. This might make it more clear that they are separate options.
  - -- Place the option to pay capitalized interest in the loan summary column on the left. That is, after the line showing capitalized interest, insert the question as to whether the borrower wants to pay the capitalized interest now.
  - -- Structure the sections so that a total amount to be withdrawn has to be entered.

-- Insert the capitalized interest amount into the instruction -- e.g., "Pre-authorized pay the capitalized interest amount of $X now."

- The arrow pointing from the capitalized interest amount on the left to the *Pre-Authorized Pay* field tends not to be seen as strongly connecting these two sections.
- A few participants filled in only the lump sum box to pay capitalized interest because they were confused by the reference to "pre-authorized" in the text, *Pre-Authorized Pay the Capitalized Interest Now*. They associated "pre-authorized payments" with the regular monthly payments, and since they did not want to do that here, they entered the capitalized interest amount in the lump sum box.

There were a few other issues associated with filling the Agreement to pay the capitalized interest:

- Several participants said it was not clear to them how the section should be filled in if they wanted to pay the capitalized interest by sending a check, rather than having the amount withdrawn from their bank account.

  On a related point, a few asked what should be done if one wants to pay only part of the capitalized interest.
- A few participants questioned the need to have a section on the Agreement for paying the capitalized interest. Their view was that it is sufficient to have the lump sum payment section. It is then up to the borrower to decide what that amount would be -- whether it be the exact capitalized interest amount or some other amount.

Note: Lump sum and capitalized interest payments will be debited when this Agreement is received

Participants who understood this sentence recognized it as being an important piece of information, since if the borrower elects to make either type of payment they need to make sure they have money in their bank account at the right time.

However, some participants either had difficulty understanding the sentence, or did not realize it connected to the sections below to pay capitalized interest or make a lump sum payment. It seems likely one reason that these difficulties occurred is the uncertainty many participants had over the meaning of "capitalized interest", and the fact that the letter does not talk about the possibility of making lump sum payments. It is possible that if capitalized interest is explained in the letter (and *Step-by-Step Guide*) and the letter explains the possibility of lump sum payments, that comprehension of the sentence would be better.

With regard to the connection to the lump sum payment box, one participant suggested revising the instruction to read, "Make a lump sum payment now of" -- the addition of the word "now" making it similar to the wording for payment of capitalized interest.

Other issues mentioned in connection with the above sentence were:

- Several participants said the sentence could be read as saying that capitalized interest will be debited when the Agreement is received regardless of whether the borrower circles "yes" or "no" in the section below.

- A few participants were concerned that if they attached a cheque to make a lump sum payment, that the same amount might be debited from their account -- resulting in a double payment.

Summary of Repayment Details: Revision of terms

Participants were asked to complete the Agreement in a way that lowered their monthly payment. Most participants were able to do this successfully, with the majority choosing to change the dollar amount of the monthly payment, and only a small number opting to change the term.

There were some participants who thought they had to fill in both a dollar amount and a term, because they missed the instruction above (*Change only one*), or thought this instruction pertained to changing only one loan and not the other (in the Ontario groups, where the Agreement showed information on two loans). There were a few participants who interpreted the entry space as a single space and wrote in one large number -- and then wondered how the NSLSC would know whether this was supposed to be a dollar figure or a number of months.

A number of participants suggested the input requirements could be clarified by inserting the word "or" between the *Change My Payment Amount* line and the *Change My Term* line.

With regard to deciding in real life how to possibly revise the terms of a loan, two suggestions were made:

- A number of participants said it would be helpful for the NSLSC to provide an online calculator that would allow a borrower to try out different scenarios for payment amounts and payment terms.
- A number of participants said the package -- either the letter, or the *Step-by-Step Guide* -- should provide information on constraints on what kinds of changes a borrower can make to payment amount or term. Otherwise, borrowers may put in unacceptable amounts, resulting in delays in finalizing the payment scheme.

Pre-Authorization Payment Plan Information

Several participants found the text associated with the second text box confusing: *Please set me up on pre-authorized payment/change my Payment Account Information to (please attach void cheque)*. The problems stemmed from combining two different situations in one instruction -- i.e., banking information present and correct, and banking information not present or incorrect. This led to questions such as:

- "Do I check this box only if I'm changing banking information?"

  In one group the moderator put this to a vote, and reaction was split: about half the group said they would check the box only if the banking information is changing and would not check either box if the information was accurate; the other half said they would check the second box regardless.
- "Do I attach a void cheque even if the banking information shown is correct, or only if I'm changing the banking information?"

  Again, interpretation was split between these two alternatives.

PRE-AUTHORIZATION PAYMENT PLAN INFORMATION

Bank: 004 – TD Canada Trust
Transit: 01976 Account: 7654321

☐ I do not wish to use the Pre-Authorized Payment Plan for my student loan payments.
Payments are to be made payable to the Receiver General for Canada.

☐ Please set me up on pre-authorized payment/change my Payment Account Information to (please attach a void cheque):

Bank:_____ Transit _____ Account_____
Name and Signature of account holder if not the borrower named on this Agreement.
Printed Name: _____ Signature: _____

IMPORTANT: ADDITIONAL TERMS AND CONDITIONS OF REPAYMENT OF YOUR STUDENT LOANS ARE SET OUT ON THE REVERSE OF THIS DOCUMENT. PLEASE READ THEM CAREFULLY BEFORE SIGNING THIS FORM. YOUR SIGNATURE ON THIS DOCUMENT MEANS YOU HAVE ACCEPTED ALL THE TERMS AND CONDITIONS OF REPAYMENT AND AGREE TO REPAY YOUR LOAN IN ACCORDANCE WITH THESE TERMS AND CONDITIONS.

SIGNATURE

_____
DATE (Day / Month / Year)

Please return a **signed copy** of this Consolidation Agreement to the National Student Loans Service Centre **no later than 5 days prior to your consolidation date** (the last day of the sixth month after the month in which you ceased to be a full-time student).

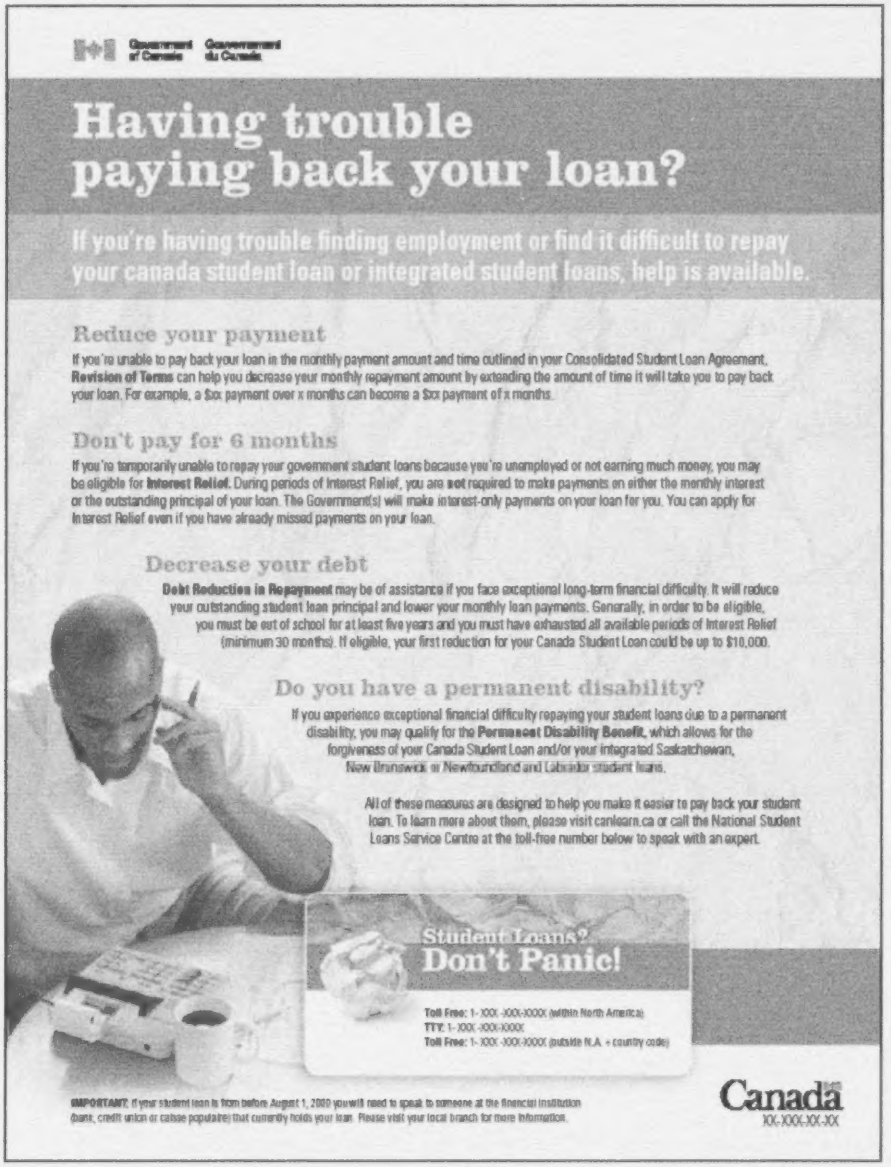
Signature Block

A number of participants suggested that because this is a personalized Agreement, the final sentence on when to return the Agreement should state the actual due date, rather than the general rule for how to calculate this date -- particularly because it would be difficult for a borrower to do this calculation.

Agreement: Other participant issues and suggestions

- With regard to the *Summary of Loan Details* box, a number of participants said the loan number should be more prominent, since a borrower needs to provide this number when contacting the NSLSC about their loan. One suggestion was to move the loan number into the heading for each loan.
- One participant suggested there should be a way to report a change of address.
- One participant said the instruction in the top right corner, *Please type or print in block letters*, did not seem likely to be noticed. They said that if this is important, or has been a problem, then the instruction should be more prominent.
- One participant in the Halifax group read the Terms and Conditions on the back (even though this was not required or expected of participants), and said they were not sure which Terms and Conditions applied to borrowers in Nova Scotia. The issue was that two sets of Terms and Conditions referred to specific provinces in the headings, while the middle set did not. They suggested that if the middle set of Terms and Conditions applies to borrowers in all provinces, that should be explicitly stated.

HAVING TROUBLE PAYING BACK YOUR LOAN?


Government of Canada / Gouvernement du Canada
Having trouble paying back your loan?
If you're having trouble finding employment or find it difficult to repay your canada student loan or integrated student loans, help is available.
Reduce your payment
If you're unable to pay back your loan in the monthly payment amount and time outlined in your Consolidated Student Loan Agreement, Revision of Terms can help you decrease your monthly repayment amount by extending the amount of time it will take you to pay back your loan. For example, a $xx payment over x months can become a $xx payment of x months.
Don't pay for 6 months
If you're temporarily unable to repay your government student loans because you're unemployed or not earning much money, you may be eligible for Interest Relief. During periods of Interest Relief, you are not required to make payments on either the monthly interest or the outstanding principal of your loan. The Government(s) will make interest-only payments on your loan for you. You can apply for Interest Relief even if you have already missed payments on your loan.
Decrease your debt
Debt Reduction in Repayment may be of assistance if you face exceptional long-term financial difficulty. It will reduce your outstanding student loan principal and lower your monthly loan payments. Generally, in order to be eligible, you must be out of school for at least five years and you must have exhausted all available periods of Interest Relief (minimum 30 months). If eligible, your first reduction for your Canada Student Loan could be up to $10,000.
Do you have a permanent disability?
If you experience exceptional financial difficulty repaying your student loans due to a permanent disability, you may qualify for the Permanent Disability Benefit, which allows for the forgiveness of your Canada Student Loan and/or your integrated Saskatchewan, New Brunswick or Newfoundland and Labrador student loans.
All of these measures are designed to help you make it easier to pay back your student loan. To learn more about them, please visit canlearn.ca or call the National Student Loans Service Centre at the toll-free number below to speak with an expert.
Student Loans? Don't Panic!
Toll Free: 1-XXX-XXX-XXXX (within North America)
TTY: 1-XXX-XXX-XXXX
Toll Free: 1-XXX-XXX-XXXX (outside N.A. + country code)
IMPORTANT: If your student loan is from before August 1, 2000 you will need to speak to someone at the financial institution (bank, credit union or caisse populaire) that currently holds your loan. Please visit your local branch for more information.
Canada
XX-XXX-XX-XX

Overall reaction to *Having Trouble* was very positive: almost all participants felt this would be a very important and useful addition to the Consolidation Package.

Key positive perceived aspects of *Having Trouble* included:

- Both the content and the use of colour, graphic design and pictures conveys an impression of helpfulness and friendliness. It helped give the Consolidation Package as a whole a friendlier feeling.

- *Having Trouble* clearly communicates that options are available to people who anticipate difficulty starting to repay their Canada Student Loan. This is a topic most participants felt is important, and one that will be of interest to many borrowers. Additional comments by some participants included:
  - -- Because of the inclusion of *Having Trouble*, they learned more about the available options than they had from the Consolidation Package they had received.
  - -- This information will help prevent borrowers from completely defaulting on their loan(s), because it makes them aware of alternatives to defaulting.
  - -- The information in *Having Trouble* can help borrowers prepare to call the NSLSC about difficulty making payments, by providing them with advance knowledge of possible solutions to discuss.
- The language was perceived to be simple and easy to understand.
- The majority of participants liked the idea of a magnet with NSLSC contact information, and said they would put it, e.g., on their refrigerator. This was perceived to provide quicker and more convenient access to the information than going through files.

PARTICIPANT ISSUES AND SUGGESTIONS

Graphic Design/Pictures

- With regard to the person shown in the document, the majority of participants were comfortable with the imagery. They felt it conveyed how a borrower in financial difficulty might feel, and appreciated the empathy.

  However, some participants suggested alternatives:
  - -- One participant, a black person, was concerned that showing a black man could evoke a stereotype of a "black man in financial difficulty." They suggested it might be preferable not to show a person at all, but instead to show some other image that evokes a feeling of financial difficulty -- one suggestion was an inbox full of bills.
  - -- Several participants suggested that perhaps more positive imagery should be shown, such as a picture of a borrower talking on the phone -- presumably getting help from a NSLSC representative.
- The calculator was perceived by some participants as the wrong type of calculator. It was seen as more the type of calculator an accountant or bookkeeper would use, not an average person.
- Several participants perceived the crumpled ball of paper as being the borrower's Agreement, and suggested this may not be imagery the CSLP wants to use.
- Most participants appeared not to have much reaction one way or another to the background colour/texture. On the positive side, a few said it was a "warm" colour, and contributed to the friendly feeling conveyed by the document. On the negative side, a few participants said it was somewhat difficult to read the text against this background, and a few related the texture to the "crumpled up Agreement" imagery mentioned in the previous bullet point.

Reduce your payment

Some participants related "Revision of Terms" to the section of the Agreement where one can change payment amount or term, but others thought this was talking about something else. The latter were under the impression that a borrower has to call the NSLSC to take advantage of Revision of Terms, and several speculated that perhaps one can make special arrangements via this program that are not available when filling in the Agreement.

It was suggested that if "Revision of Terms" is the same as what is on the Agreement, there should be a reference inserted to this section of the Agreement. While no participant suggested this, it might also be appropriate to include a cross-reference to Step 2 of the *Step-by-Step Guide* (the *Change Your Agreement* section), and ensure consistent use of terminology in these different documents.

Don't pay for 6 months

- Several participants were confused by the title, and thought this section was about the grace period -- since the grace period is also a time when a borrower "does not pay for 6 months."
- As discussed earlier in the report (see section *Suggestions Focused on At-Risk Borrowers*, p. 9), some participants suggested a sentence should be added to this section about the requirement to sign and return the Agreement in order to qualify to receive IR.
- Some participants said it would be helpful to provide information on the eligibility requirements for IR, or at least to refer the borrower to a specific web page that provides this information.

Decrease your debt

One participant suggested that when the document is being sent out in Consolidation Packages, information on Debt Reduction in Repayment would not be relevant, since people who have recently left school would not meet the eligibility requirements for this option.

Paragraph: *All of these measures are designed...*

Several participants said that this is an important paragraph because it gives "how to" information for pursuing the options -- but felt it is likely to be missed because visually it seems to be part of the *Do you have a permanent disability* section. One suggestion was to bold the paragraph. Another approach would be to give this paragraph its own heading.

Magnet

As noted earlier, the majority of participants liked the idea of the magnet with NSLSC contact information. There were several suggestions relating to the content and design of the magnet:

- Some participants suggested the magnet should refer to "Canada" student loans, to clarify the contact information does not apply to provincial loans.
- Some participants suggested inserting a place to write in a loan number, since this information needs to be given when contacting the NSLSC.
- Many participants said the website address should be added to the magnet.

- With regard to the line, *Don't Panic!*: The majority of participants were comfortable with this line being on the magnet, and some appreciated the empathy of this line. However, some participants said they would not use the magnet -- i.e., put it on their refrigerator -- because they were concerned other people would see it and conclude they were experiencing financial difficulty. These participants suggested the magnet use more neutral/non-emotive language.

APPENDIX

SCREENING QUESTIONNAIRE

Canada Student Loan Program Screener

Note to recruiter: When terminating someone, say: ***Thank you for your cooperation. We already have enough participants who have a similar profile to yours, so we are unable to invite you to participate.***

Hello, I'm _____ from R.I.S. Christie, a marketing research company. We are organizing a research project on behalf of the Government of Canada, specifically for a department called Human Resources and Social Development Canada, formerly known as HRDC.

May I please speak with **[name from list]**.

When you have the person on the line, re-introduce yourself as necessary, and continue.

This research project is about the Canada Student Loans Program. We are phoning to invite people who have received a loan under the Canada Student Loans Program to participate in a discussion group. You will be shown some draft communication materials on loan repayment, and asked for your opinions. The goal of the project is to help improve communication of information about Canada Student Loan repayment.

Your participation is completely voluntary, but would be extremely helpful. If you choose not to participate, this decision will not adversely affect you in any way. This information is being collected under the authority of the *Department of Human Resources and Skills Development Act* and will be administered in accordance with the *Privacy Act* and other applicable privacy laws.. The full names of participants will not be provided to the government or any other third party. May I continue? **(If "no", thank and terminate)**

I need to ask you a few questions to see if you fit the profile of the type of people we are looking for in this research this will only take a few minutes.

0) **Record gender:**

Male	1	→ **Monitor quotas**
Female	2	

1) According to the information we were given, you received a student loan under the Canada Student Loans Program. Is that true?

Yes	1	
No	2	→ **Thank and terminate**

2) Are you currently attending school full or part-time?

Yes	1	→ **Thank and terminate**
No	2	

3) Do you, or does anyone in your household, work in any of the following areas? **(Read list)**

	No	Yes	
A marketing research firm	( )	( )	
A magazine or newspaper	( )	( )	
The federal government (if Human Resources and Social Development Canada, check "yes", otherwise check "no")	( )	( )	
A radio or television station	( )	( )	**If "yes" to any, thank and terminate**
A public relations company	( )	( )	
A Bank or Trust Company	( )	( )	
A company that provides advice or services related to student loans	( )	( )	
A Provincial Student Financial Assistance Program	( )	( )	

4) Within the last 6 months, did receive in the mail documents about your Canada Student Loan, that you signed and returned? **(Note to recruiter: the signed documents would have been sent to the National Student Loan Service Centre, but the recruit may not recall the name of this organization)**

Yes 1
No 2 ⟶ **Thank and terminate**

5) Have you started repaying the loan you received under the Canada Student Loans Program?

Yes 1
No 2

6a) Are you currently in the paid labour force?

Yes 1
No 2 ⟶ **Go to Invitation**

6b) And what is your occupation -- that is, the type of work you do and the type of company you work for?

_____ _____

(Type of work) **(Type of company)**
(Check against exclusions in Q.3)

Invitation

Thank you. We would like to invite you to participate in one of our group discussions. Refreshments will be provided, and you will be paid $80 for your participation. The discussion will last 2 hours and 15 minutes, and will be held:

[List of places/dates/times]

Someone from our office will be calling you back to confirm these arrangements. Could I please have your name and phone number where we can reach you during the evening and during the day?

Name: _____

Address: _____

Evening phone: _____ **Day time phone:** _____

Thank you very much!

Recruited by: _____

Confirmed by: _____

The information regarding this research may be requested from HRSDC under the Access to Information Act. The project name is "CSLP Consolidation Packages." Instructions for making formal requests are provided in the publication Info Source, copies of which are located in local Service Canada Centres or at the following Internet address: http://infosource.gc.ca/.

DISCUSSION MATERIALS

Consolidation Package Discussion Agenda

1) Introduction (10 minutes)

a) **Introduce self, and explain purpose of research:** This research is being sponsored by the Government of Canada. It is a research project about the Canada Student Loans Program -- and one thing that all of you have in common is that you have had Canada Student Loans. As you know, around the time a person with a student loan leaves school, the student loan program sends documents in the mail about what to do to start repaying the loan. The Canada Student Loan Program is making some changes to these documents (the Consolidation package) sent before the first loan payment is due. They have created draft versions of the revised documents, and I am going to ask you to read them. The purpose is to find out if the documents are clear and easy to understand, and whether you think there should be any changes to the documents. The results of the research will be used to help identify ways of improving communication of information about student loan repayment.

b) **Review group discussion procedures:**

- -- Role of moderator
- -- No right or wrong answers
- -- Your participation is voluntary. This information is being collected under the authority of the *Department of Human Resources and Skills Development Act* and will be administered in accordance with the *Privacy Act* and other applicable privacy laws.. Your full names of participants will not be provided to the government or any other third party. In the report that will be written, no comments will be attributed to any one individual.
- -- Audio-taping
- -- Presence of observers involved in the administration and delivery of the Canada Student Loan Program, including people from the Government of Canada, the Provincial Government, and a company contracted to deliver services to borrowers
- -- Discussion to last 2 hours and 15 minutes

c) **Participant self-introductions:** first name only, how long ago left school

2) Participant review of documents (25 minutes)

- As I mentioned before, the Canada Student Loan Program is making some changes to the documents sent to a borrower before their first loan payment is due. There are four documents in total. I'm going to give you all four and ask you to look through all of them.

  When you are looking through the materials, I would like you to think back to the time after you left school and before your first loan payment was due. I'd like you to think about what you knew at that time about student loan repayment, and any questions or concerns you might have had about starting to repay your student loan. Please read the draft documents I give you from that point of view.

- Present scenario: You will see that some of the documents refer to a specific person. So, we have made up a person with a particular Canada student loan situation.

NS, AB, BC	ON
Name: Krista Lier	Name: May Leaf
Loan(s): 1 Canada Student Loan for a bit over $30,000	Loan(s): 1 Canada Student Loan for a bit over $7,000, and 1 Ontario Integrated Student Loan for a bit over $17,500

- I am going to give you all four documents at once, just as if they all arrived together in one envelope.

  I want you to review all four documents before we start talking about your opinions.

  As you are reading through each of the documents, I'd like you to make notes on things you like, as well as things you don't like or suggestions you may have for changes. For this purpose, I'm going to give you a green pen and a red pen. Use the green pen to underline or indicate parts you particularly like, and use the red pen to indicate any parts you have problems with or find difficult to understand. On each document, you must indicate at least one thing in green (something you like), and at least one thing in red (something you don't like, find confusing, or want to change).

  You can also write notes in the margins of each document, if you want, about things you think should be changed or clarified.

- I also have a questionnaire for you to complete after looking through the materials (pass out and review; don't worry about spelling/grammar)
- Also: Please do not talk with each other about your opinions until everyone is done reviewing the materials and completing the questionnaire.

3) Overall impressions (20 minutes)

a) Review answers to Q.1: What do you think are the most important messages they are trying to get across in this package of documents? Based on what you read, what if anything do they want you to do after receiving the package?

Probe: Does it clearly state that you are supposed to sign and return the form? If not, how could this message be more clearly presented?

b) The package of materials consisted of the *Consolidated Student Loan Agreement and Repayment Form* (Agreement), and three other documents. Thinking about these three other documents, is the role of each one clear, and do they work well together as a group?

Probe: Considering all four documents as a whole, how would you compare this package of materials to the documents you received prior to when your first loan payment was due? Better/Same/Worse? Why?

c) Overall, considering all four documents as a whole, how would you rate this package in terms of clarity and providing information about loan repayment – would you say excellent, good, OK, not very good?

Q.2: What is the one most important improvement to make to the package of documents?

Are there any aspects of loan repayment about which the package of documents should have provided more information, or was it reasonably complete?

4) Review letter: *It's Time to Start Repaying Your Student Loan(s)* (20 minutes)

- What, if anything, did you particularly like?
- What, if anything, did you not like? Was there anything you found unclear or confusing about how it was written?

  What, if any, suggestions do you have for changes to the letter? (Probe) Is there anything more that should have been included in the letter?
- **Probes:**
  - The second paragraph under *What you need to know* talks about the "Grace" period, and the interest that builds up during the grace period.

    How did you respond to Q.3 in the questionnaire (paying interest from grace period before first loan payment is due)?

5) Review *Step-By-Step Guide* (20 minutes)

- Overall, how did you feel about the *Step-By-Step Guide* – excellent, good, just OK, not very good?
- What, if anything, did you particularly like?
- What, if anything, did you not like? Was there anything you found unclear or confusing about how it was written?

  What, if any, suggestions do you have for changes to the *Step-By-Step Guide*? (Probe) Is there anything more that should have been included in the *Step-By-Step Guide*?
- **Probes:**
  - The *Guide* talks about making changes to your Agreement.

    How did you respond to Q.4 (reducing monthly payment)?
  - How did you respond to Q.6 (lump sum payment)?

6) Review *Consolidated Student Loan Agreement and Repayment Form* (20 minutes)

- What, if anything, did you like or dislike? Was there anything you found unclear or confusing about how it was written or laid out?

  What, if any, suggestions do you have for changes?
- **Probes:**
  - Loan summary at the top
  - Understanding of: *Note: Lump sum and capitalized interest payments will be debited when this Agreement is received*
  - Layout/clarity of the *Summary of Repayment Details* box
  - Clarity of *Pre-Authorization Payment Plan Information*
  - Signature block

7) Review *Having trouble paying back your loan* (20 minutes)

- Overall, how did you feel about this document that addresses the subject of what to do if you are having trouble paying back your loan – excellent, good, just OK, not very good?
- What, if anything, did you particularly like?
- What, if anything, did you not like? Was there anything you found unclear or confusing about how it was written?

  What, if any, suggestions do you have for changes? (Probe) Is there anything more that should have been included?

- **Probes:**

  -- How did you respond to Q.5: *Suppose you have not been able to get a job yet and you cannot afford to start making any student loan payments as of [FirstPayDate]. What would you do, based on the information provided in the documents? What would you do with the Consolidated Student Loan Agreement and Repayment Form?*

  Was the information provided on Interest Relief clear? Was there any other information that would have been helpful?

  -- The document refers to Revision of Terms. If you wanted to take advantage of this, what would you do?

  Is it clear that you can request a Revision of Terms on the Agreement?

  -- (Explain "magnet") What do you think of the magnet idea? Would you save the magnet and use it?

8) Wrap-up

Thank participants

Questionnaire

1) What do you think are the most important messages they are trying to get across in this package of documents? Based on what you read, what if anything do they want you to do after receiving the package?

2) What is the one most important improvement to make to the package of documents?

3) Suppose you want to pay the interest from the "Grace" period before the first loan payment is due. On the *Consolidated Student Loan Agreement and Repayment Form*, please fill in the section for Loan Number 87654321 in red pen to do this.

Note:

- There is more than one "right" way to fill in the section to do this.
- If it is not clear how to fill in the section to do this, please make note on the Form of what is unclear

4) Suppose you cannot afford the $408.44 monthly payment shown on the Form, but you could afford to pay a lower amount each month. Please fill in the section for Loan Number 87654321 in green pen in a way that lowers your monthly payment.

Note:

- There is more than one "right" way to fill in the section to do this.
- If it is not clear how to fill in the section to do this, please make note on the Form of what is unclear

5) Suppose you have not been able to get a job yet and you cannot afford to start making any student loan payments as of the first payment due date. What would you do, based on the information provided in the documents? What would you do with the *Consolidated Student Loan Agreement and Repayment Form?*

_____

_____

_____

_____

6) Suppose right after leaving school you got a great job and a big signing bonus. As a result, you have $5,000 that you want to use to pay down part of your student loan right away.

Based on what you have read in the documents, can you do this?

If you think you can, what would you do?

_____

_____

_____

_____

Questionnaire

1) What do you think are the most important messages they are trying to get across in this package of documents? Based on what you read, what if anything do they want you to do after receiving the package?

2) What is the one most important improvement to make to the package of documents?

3) Suppose for Loan Number 87654321 you want to pay the interest from the "Grace" period before the first loan payment is due. On the *Consolidated Student Loan Agreement and Repayment Form*, please fill in the section for Loan Number 87654321 to do this.

Note:

- There is more than one "right" way to fill in the section to do this.
- If it is not clear how to fill in the section to do this, please make note on the Form of what is unclear

4) Suppose for Loan Number 12345678 you cannot afford the $233.10 monthly payment shown on the Form, but you could afford to pay a lower amount each month. Please fill in the section for Loan Number 12345678 in a way that lowers your monthly payment.

Note:

- There is more than one "right" way to fill in the section to do this.
- If it is not clear how to fill in the section to do this, please make note on the Form of what is unclear

5) Suppose you have not been able to get a job yet and you cannot afford to start making any student loan payments as of the first payment due date. What would you do, based on the information provided in the documents? What would you do with the *Consolidated Student Loan Agreement and Repayment Form?*

_____

_____

_____

_____

6) Suppose right after leaving school you got a great job and a big signing bonus. As a result, you have $5,000 that you want to use to pay down part of your student loan right away.

Based on what you have read in the documents, can you do this?

If you think you can, what would you do?

_____

_____

_____

_____

DRAFT REVISED CONSOLIDATION PACKAGE: Version Used in Halifax, Calgary, Vancouver

National Student Loans Service Centre
P.O. Box 4030
Mississauga, Ontario L5A 4M4

January 16, 2007

KRISTA C. LIER
123 BEST STREET
ANYWHERE NS B0R 1A2

Total Balance Owing: **$31,873.40**
Total Monthly Payment: **$408.44**

It's Time to Start Repaying Your Student Loan(s)

Dear KRISTA C. LIER,

Your student loan(s) become payable as of **3/1/2007**. It is important that you are aware of your repayment arrangements. Read the information provided in this letter. Review the details of your "Consolidated Student Loan Agreement" and then complete, sign and return it.

What we're asking you to do

You must sign Copy 1 of your Agreement and return it to the National Student Loans Service Centre (NSLSC) no later than **2/22/2007**. A postage paid envelope has been enclosed for your convenience. Copy 2 is for your records. Use the "**Step-by-Step Guide**" to assist you in completing your Agreement.

What you need to know

Your first payment (above) will be deducted on **3/31/2007** from the bank account indicated on your Agreement. Payment withdrawals will continue to be made from this account on the last day of each month. If this information is blank on your Agreement or if you wish to change the account shown, complete this in the Pre-Authorized Payment section or call the NSLSC for assistance.

Your six-month "Grace" period will end on **2/22/2007**. While you have not been required to make loan payments, this period is not interest free. The interest will be added to your principal balance, **or** you can pay the interest accrued on or before your first payment due date - **3/31/2007**. To pay the interest, choose this option on the Agreement or send the funds separately.

What you should remember

Missing payments will affect your credit rating. If you cannot start making your payment(s) now, or experience difficulty making payments in the future, contact the NSLSC to discuss options that may be available to you (such as Interest Relief, Revision of Terms and Debt Reduction in Repayment). Please note that you must sign and return your Agreement in order to qualify for these programs.

What to consider if you are still in school

If you are currently a full-time student you need to let us know immediately. If you don't advise us of your ongoing studies, you will be responsible for repaying your loan(s), including all the interest accumulated up to the date we receive your Confirmation of Enrolment. If you have student loan(s) with financial institutions, you must also inform them of your ongoing studies, otherwise these loan(s) will become repayable as well.

To confirm your enrolment, visit your school's financial aid office and complete the Confirmation of Enrolment form. Send the completed form to the NSLSC and/or the Financial Institution holding your loan. If we receive proof of your enrolment before **3/1/2007**, then there is no need to return the enclosed Agreement.

How to contact us

If you have any questions, you can contact us Monday to Friday, between 8:00 a.m. and 8:00 p.m. your local time.

☎ Toll free:	1 866 587-7452	(within North America)
	1 416 503-6670	(collect call outside North America)
	1 800 855-0511	(for the hearing impaired – TTY)
	1 866 587-7453	(fax within North America)

Visit **www.canlearn.ca** and register for NSLSC On-Line Services. Once registered, you can check your balance, view or print your statement, and change your address. Please ensure we have your current address and telephone number at all times so we can continue to provide you with important information about your loan.

How to Establish Your Repayment Arrangements

You can choose to repay your loan(s) using one of the following payment options

- Pre-Authorized Payment Plan
- Online or Telephone Banking
- Cheque or Money Order

It is important to note that if you do not indicate a preferred method of payment, we will automatically withdraw your monthly loan payments from the bank account shown on the enclosed Consolidated Student Loan Agreement.

Pre-Authorized Payment Plan

We encourage you to take advantage of the Pre-Authorized Payment Plan, where your payments are automatically withdrawn from your bank account every month. It is the easiest way to ensure your payments are made in full and on time. If you select this option, be sure to review the banking information on your *Consolidated Student Loan Agreement* to ensure that it is correct.

If no banking information has been provided on your *Agreement,* please complete it and attach a void cheque when you return it to the National Student Loans Service Centre (NSLSC). If you plan to have your loan payments withdrawn from another person's account, the name and signature of the account holder is required in the **Pre-Authorized Payment Plan Information section** of the agreement.

Online or Telephone Banking

You can also make your monthly student loan payments using your financial institution's online or telephone banking services. To arrange for this option, contact your financial institution or visit their Web site and add "National Student Loans Service Centre – Public Institutions Division" to your bill payment list. Use your loan number(s) as your account number(s).

Payment by Cheque or Money Order

If you prefer to send cheques or money orders, they should be made out to the **Receiver General for Canada** and sent to the NSLSC on or before your monthly payment due date. If you hold more than one loan with us, please state the different loan numbers and amounts to be applied to each loan in the memo section of the cheque or money order and include your personal account number on each cheque.

The National Student Loans Service Centre

STEP-BY-STEP GUIDE

1 Review Your Agreement

- ☐ Carefully read the attached Agreement. It contains the repayment details for your loans.
- ☐ Read the terms and conditions for repaying your loans, found on the back of the Agreement.
- ☐ If you have no changes to your Agreement, proceed to **Step 3**.

2 Change Your Agreement

- ☐ Customize your repayment terms. For example: you can decide to pay the grace period interest amount immediately; you can change your monthly payment or term; or you can make a one-time payment.
- ☐ Enter these changes on the Agreement. Be sure to review the related tips on this sheet first.

3 Sign Your Agreement

- ☐ Sign **Copy 1** of the Agreement (even if you are customizing your repayment).
- ☐ Use the enclosed postage-paid envelope to return your Agreement.
- ☐ Keep **Copy 2** for your records.

TIPS

Interest Rate Options

You have the option of selecting a fixed rate of interest of Prime + 5.0% on your student loans*. Choosing this option may increase your monthly payment amount that we've set for you. NOTE: Once you choose to fix your interest rate you CANNOT return to a floating rate option.

* The fixed rate option is not available on the Ontario portion of the Canada-Ontario Integrated Student Loan.

Payment Amount and Terms

You can change your repayment terms by entering a new amount or term on your Agreement. Any changes to your payment amount or term will be confirmed in writing and will be followed by a new Consolidated Student Loan Agreement for you to sign and return.

Important! When your payment decreases, you will take longer to pay your loan back and will pay more interest over the life of your loan.

Lump Sum and Capitalized Interest Payments

If you choose to select these options on your Agreement, we will deduct these amounts directly from your bank account. If you prefer to make these payments on a specific date, you can make an Internet banking payment at your convenience, or include a post-dated cheque with your signed and returned Agreement.

Get connected ... manage your loan on-line using NSLSC on-line Services at www.canlearn.ca

- ✓ Check your balance
- ✓ Revise your repayment terms
- ✓ Review your transaction history
- ✓ Change your contact information

National Student Loans Service Centre

PLEASE TYPE OR PRINT IN BLOCK LETTERS
(Various fonts are acceptable for printing)

CONSOLIDATED STUDENT LOAN AGREEMENT AND REPAYMENT FORM

NATIONAL STUDENT LOANS SERVICE CENTRE P.O. BOX 4030 MISSISSAUGA, ONTARIO L5A 4M4 1 866 583-7832	DATE 1/16/2007
	PHONE NUMBER (BORROWER) 555 123-4567
Borrower's full legal name and address KRISTA C. LIER 123 HOT STREET ANYWHERE NS B0R 1A2	DATE OF BIRTH (DAY/MONTH/YEAR) 2/10/1978
	SIN 987 654 321

Total Monthly Payment:	$408.44	NOTE: LUMP SUM AND CAPITALIZED INTEREST PAYMENTS WILL BE DEBITED **WHEN THIS AGREEMENT IS RECEIVED**
Total Balance Owing:	$31,873.40	
First Payment Due Date:	3/31/2007	
Payment Frequency:	Monthly	

Change my Date To: _____ (Month/ Day/ Year) This change will not be applied to your First Payment Due Date.

The first monthly payment for all your loans is due on 01/03/2007. Interest will be calculated at a floating interest rate of Prime + 2.5%. Prime is currently 6.00%. If you prefer a Fixed Interest Rate of Prime + 5%, please contact us.

SUMMARY OF REPAYMENT DETAILS: Canada Student Loan

Loan Number: 87654321

Principal Balance:	$30,584.25		Enter or circle your choice
Capitalized Interest:	$1,289.15	**Pre-Authorized Pay the Capitalized Interest Now:**	**Yes / No**
Principal plus Capitalized Interest:	$31,873.40		
Outstanding Interest Owing:	$0	**Make a lump sum payment of:**	$
		Change only one (we will automatically adjust the other)	
Monthly Payment Amount:	$408.44	Change My Payment Amount:	$
Amortization Period:	114 months	Change my Term:	months

PRE-AUTHORIZATION PAYMENT PLAN INFORMATION

Bank: 002 - Bank of Nova Scotia
Transit: 10074 Account: 7654321

☐ I do not wish to use the Pre-Authorized Payment Plan for my student loan payments.
Payments are to be made payable to the Receiver General for Canada.

☐ Please set me up on pre-authorized payment/change my Payment Account Information to (please attach a void cheque):

Bank _____ Transit _____ Account _____

Name and Signature of account holder if not the borrower named on this Agreement

Printed Name: _____ Signature: _____

IMPORTANT: ADDITIONAL TERMS AND CONDITIONS OF REPAYMENT OF YOUR STUDENT LOANS ARE SET OUT ON THE REVERSE OF THIS DOCUMENT. PLEASE READ THEM CAREFULLY BEFORE SIGNING THIS FORM. YOUR SIGNATURE ON THIS DOCUMENT MEANS YOU HAVE ACCEPTED ALL THE TERMS AND CONDITIONS OF REPAYMENT AND AGREE TO REPAY YOUR LOAN IN ACCORDANCE WITH THESE TERMS AND CONDITIONS.

SIGNATURE

_____
DATE (Day / Month / Year)

Please return a **signed copy** of this Consolidation Agreement to the National Student Loans Service Centre **no later than 5 days prior to your consolidation date** (the last day of the sixth month after the month in which you ceased to be a full-time student).

Government of Canada / Gouvernement du Canada

Having trouble paying back your loan?

If you're having trouble finding employment or find it difficult to repay your canada student loan or integrated student loans, help is available.

Reduce your payment

If you're unable to pay back your loan in the monthly payment amount and time outlined in your Consolidated Student Loan Agreement, **Revision of Terms** can help you decrease your monthly repayment amount by extending the amount of time it will take you to pay back your loan. For example, a $xx payment over x months can become a $xx payment of x months.

Don't pay for 6 months

If you're temporarily unable to repay your government student loans because you're unemployed or not earning much money, you may be eligible for **Interest Relief.** During periods of Interest Relief, you are **not** required to make payments on either the monthly interest or the outstanding principal of your loan. The Government(s) will make interest-only payments on your loan for you. You can apply for Interest Relief even if you have already missed payments on your loan.

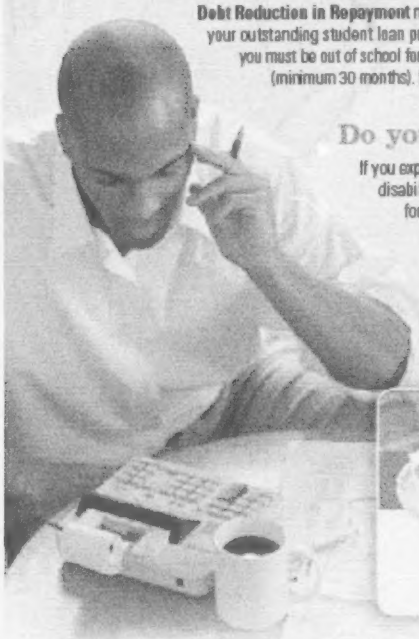
Decrease your debt

Debt Reduction in Repayment may be of assistance if you face exceptional long-term financial difficulty. It will reduce your outstanding student loan principal and lower your monthly loan payments. Generally, in order to be eligible, you must be out of school for at least five years and you must have exhausted all available periods of Interest Relief (minimum 30 months). If eligible, your first reduction for your Canada Student Loan could be up to $10,000.

Do you have a permanent disability?

If you experience exceptional financial difficulty repaying your student loans due to a permanent disability, you may qualify for the **Permanent Disability Benefit,** which allows for the forgiveness of your Canada Student Loan and/or your integrated Saskatchewan, New Brunswick or Newfoundland and Labrador student loans.

All of these measures are designed to help you make it easier to pay back your student loan. To learn more about them, please visit canlearn.ca or call the National Student Loans Service Centre at the toll-free number below to speak with an expert.



Student Loans?
Don't Panic!

Toll Free: 1- XXX -XXX-XXXX (within North America)
TTY: 1- XXX -XXX-XXXX
Toll Free: 1- XXX -XXX-XXXX (outside N.A. + country code)

IMPORTANT: If your student loan is from before August 1, 2000 you will need to speak to someone at the financial institution (bank, credit union or caisse populaire) that currently holds your loan. Please visit your local branch for more information.

Canada
XX-XXX-XX-XX

DRAFT REVISED CONSOLIDATION PACKAGE: Version Used in Toronto

National Student Loans Service Centre
P.O. Box 4030
Mississauga, Ontario L5A 4M4

January 16, 2007

MAY P. LEAF
123 BEST STREET
ANYWHERE ON K1A 1A2

Total Balance Owing: **$25,587.50**
Total Monthly Payment: **$326.68**

It's Time to Start Repaying Your Student Loan(s)

Dear «Name»,

Your student loan(s) become payable as of **3/1/2007**. It is important that you are aware of your repayment arrangements. Read the information provided in this letter. Review the details of your "Consolidated Student Loan Agreement" and then complete, sign and return it.

What we're asking you to do

You must sign Copy 1 of your Agreement and return it to the National Student Loans Service Centre (NSLSC) no later than **2/22/2007**. A postage paid envelope has been enclosed for your convenience. Copy 2 is for your records. Use the "**Step-by-Step Guide**" to assist you in completing your Agreement.

What you need to know

Your payment(s) (above) will be deducted on **3/31/2007** from the bank account indicated on your Agreement. Payment withdrawals will continue to be made from this account on the last day of each month. If this information is blank on your Agreement or if you wish to change the account shown, complete this in the Pre-Authorized Payment section or call the NSLSC for assistance.

Your six-month "Grace" period will end on **2/22/2007**. While you have not been required to make loan payments, this period is not interest free. The interest will be added to your principal balance, **or** you can pay the interest accrued on or before your first payment due date - **3/31/2007**. To pay the interest, choose this option on the Agreement or send the funds separately.

What you should remember

Missing payments will affect your credit rating. If you cannot start making your payment(s) now, or experience difficulty making payments in the future, contact the NSLSC to discuss options that may be available to you (such as Interest Relief, Revision of Terms and Debt Reduction in Repayment). Please note that you must sign and return your Agreement in order to qualify for these programs.

What to consider if you are still in school

If you are currently a full-time student you need to let us know immediately. If you don't advise us of your ongoing studies, you will be responsible for repaying your loan(s), including all the interest accumulated up to the date we receive your Confirmation of Enrolment. If you have student loan(s) with financial institutions, you must also inform them of your ongoing studies, otherwise these loan(s) will become repayable as well.

To confirm your enrolment, visit your school's financial aid office and complete the Confirmation of Enrolment form. Send the completed form to the NSLSC and/or the Financial Institution holding your loan. If we receive proof of your enrolment before **3/1/2007**, then there is no need to return the enclosed Agreement.

How to contact us

If you have any questions, you can contact us Monday to Friday, between 8:00 a.m. and 8:00 p.m. your local time.

☎ Toll free:	1 866 587-7452	(within North America)
	1 416 503-6670	(collect call outside North America)
	1 800 855-0511	(for the hearing impaired – TTY)
	1 866 587-7453	(fax within North America)

Visit **www.canlearn.ca** and register for NSLSC On-Line Services. Once registered, you can check your balance, view or print your statement, and change your address. Please ensure we have your current address and telephone number at all times so we can continue to provide you with important information about your loan.

How to Establish Your Repayment Arrangements

You can choose to repay your loan(s) using one of the following payment options

- Pre-Authorized Payment Plan
- Online or Telephone Banking
- Cheque or Money Order

It is important to note that if you do not indicate a preferred method of payment, we will automatically withdraw your monthly loan payments from the bank account shown on the enclosed Consolidated Student Loan Agreement.

Pre-Authorized Payment Plan

We encourage you to take advantage of the Pre-Authorized Payment Plan, where your payments are automatically withdrawn from your bank account every month. It is the easiest way to ensure your payments are made in full and on time. If you select this option, be sure to review the banking information on your *Consolidated Student Loan Agreement* to ensure that it is correct.

If no banking information has been provided on your *Agreement*, please complete it and attach a void cheque when you return it to the National Student Loans Service Centre (NSLSC). If you plan to have your loan payments withdrawn from another person's account, the name and signature of the account holder is required in the **Pre-Authorized Payment Plan Information section** of the agreement.

Online or Telephone Banking

You can also make your monthly student loan payments using your financial institution's online or telephone banking services. To arrange for this option, contact your financial institution or visit their Web site and add "National Student Loans Service Centre – Public Institutions Division" to your bill payment list. Use your loan number(s) as your account number(s).

Payment by Cheque or Money Order

If you prefer to send cheques or money orders, they should be made out to the **Receiver General for Canada** and sent to the NSLSC on or before your monthly payment due date. If you hold more than one loan with us, please state the different loan numbers and amounts to be applied to each loan in the memo section of the cheque or money order and include your personal account number on each cheque.

The National Student Loans Service Centre

STEP-BY-STEP GUIDE

1 Review Your Agreement

- ☐ Carefully read the attached Agreement. It contains the repayment details for your loans.
- ☐ Read the terms and conditions for repaying your loans, found on the back of the Agreement.
- ☐ If you have no changes to your Agreement, proceed to **Step 3**.

2 Change Your Agreement

- ☐ Customize your repayment terms. For example: you can decide to pay the grace period interest amount immediately; you can change your monthly payment or term; or you can make a one-time payment.
- ☐ Enter these changes on the Agreement. Be sure to review the related tips on this sheet first.

3 Sign Your Agreement

- ☐ Sign **Copy 1** of the Agreement (even if you are customizing your repayment).
- ☐ Use the enclosed postage-paid envelope to return your Agreement.
- ☐ Keep **Copy 2** for your records.

TIPS

Interest Rate Options

You have the option of selecting a fixed rate of interest of **Prime + 5.0%** on your student loans*. Choosing this option may increase your monthly payment amount that we've set for you. **NOTE:** Once you choose to fix your interest rate you **CANNOT** return to a floating rate option.

*The fixed rate option is not available on the Ontario portion of the Canada-Ontario Integrated Student Loan.

Payment Amount and Terms

You can change your repayment terms by entering a new amount or term on your Agreement. Any changes to your payment amount or term will be confirmed in writing and will be followed by a new Consolidated Student Loan Agreement for you to sign and return.

Important! When your payment decreases, you will take longer to pay your loan back and will pay more interest over the life of your loan.

Lump Sum and Capitalized Interest Payments

If you choose to select these options on your Agreement, we will deduct these amounts directly from your bank account. If you prefer to make these payments on a specific date, you can make an internet banking payment at your convenience, or include a post-dated cheque with your signed and returned Agreement.

Get connected ... manage your loan on-line using NSLSC on-line Services at **www.canlearn.ca**

- ✓ Check your balance
- ✓ Revise your repayment terms
- ✓ Review your transaction history
- ✓ Change your contact information

National Student Loans Service Centre

PLEASE TYPE OR PRINT IN BLOCK LETTERS

CONSOLIDATED STUDENT LOAN AGREEMENT AND REPAYMENT FORM

NATIONAL STUDENT LOANS SERVICE CENTRE P.O. BOX 4030 MISSISSAUGA, ONTARIO L5A 4M4 1 888 815-4514	DATE 1/16/2007
	PHONE NUMBER (BORROWER) 555 123-4567
Borrower's full legal name and address MAY P. LEAF 123 BEST STREET ANYWHERE ON K1A 1A2	DATE OF BIRTH (DAY/MONTH/YEAR) 2/10/1978
	SIN 987 654 321

Total Monthly Payment:	$326.68	NOTE: LUMP SUM AND CAPITALIZED INTEREST PAYMENTS WILL BE DEBITED WHEN THIS AGREEMENT IS RECEIVED
Total Balance Owing:	$25,587.50	
First Payment Due Date:	3/31/2007	
Payment Frequency:	Monthly	

Change my Date To: _____ (Day / Month / Year) This change will not be applied to your First Payment Due Date.

The first monthly payment for all your loans is due on 01/03/2007. Interest will be calculated at a floating interest rate of Prime + 2.5%.
Prime is currently 6.00%. If you prefer a Fixed Interest Rate of Prime + 5%, please contact us.
If you have a Canada-Ontario Integrated Student Loan, the floating interest rate on the Ontario portion of your loan will be calculated at Prime + 1%.

SUMMARY OF REPAYMENT DETAILS: Canada Student Loan

Loan Number: 87654321

			Enter or circle your choice
Principal Balance:	$7,007.42	**Pre-Authorized Pay the Capitalized Interest Now:**	**Yes / No**
Capitalized Interest:	$295.37 ➡		
Principal plus Capitalized Interest:	$7,302.79		
Outstanding Interest Owing:	$0	**Make a lump sum payment of:**	$
		Change only one (we will automatically adjust the other)	
Monthly Payment Amount:	$93.58 ➡	Change My Payment Amount:	$
Amortization Period:	114 months ➡	Change my Term:	months

SUMMARY OF REPAYMENT DETAILS: Canada – Ontario Integrated Student Loan

Loan Number: 12345678

			Enter or circle your choice
Principal Balance:	$17,555.81	**Pre-Authorized Pay the Capitalized Interest Now:**	**Yes / No**
Capitalized Interest:	$728.90 ➡		
Principal plus Capitalized Interest:	$18,284.71		
Outstanding Interest Owing:	$0	**Make a lump sum payment of:**	$
		Change only one (we will automatically adjust the other)	
Monthly Payment Amount:	$233.10 ➡	Change My Payment Amount:	$
Amortization Period:	114 months ➡	Change my Term:	months

PRE-AUTHORIZATION PAYMENT PLAN INFORMATION

Bank: 004 – TD Canada Trust
Transit: 01976 Account: 7654321

☐ I do not wish to use the Pre-Authorized Payment Plan for my student loan payments.
Payments are to be made payable to the Receiver General for Canada.

☐ Please set me up on pre-authorized payment/change my Payment Account Information to (please attach a void cheque):

Bank _____ Transit _____ Account _____

Name and Signature of account holder if not the borrower named on this Agreement:

Printed Name _____ Signature _____

IMPORTANT: ADDITIONAL TERMS AND CONDITIONS OF REPAYMENT OF YOUR STUDENT LOANS ARE SET OUT ON THE REVERSE OF THIS DOCUMENT. PLEASE READ THEM CAREFULLY BEFORE SIGNING THIS FORM. YOUR SIGNATURE ON THIS DOCUMENT MEANS YOU HAVE ACCEPTED ALL THE TERMS AND CONDITIONS OF REPAYMENT AND AGREE TO REPAY YOUR LOAN IN ACCORDANCE WITH THESE TERMS AND CONDITIONS.

SIGNATURE

_____
DATE (Day / Month / Year)

Please return a **signed copy** of this Consolidation Agreement to the National Student Loans Service Centre **no later than 5 days prior to your consolidation date** (the last day of the sixth month after the month in which you ceased to be a full-time student).

Government of Canada / Gouvernement du Canada

Having trouble paying back your loan?

If you're having trouble finding employment or find it difficult to repay your canada student loan or integrated student loans, help is available.

Reduce your payment

If you're unable to pay back your loan in the monthly payment amount and time outlined in your Consolidated Student Loan Agreement, **Revision of Terms** can help you decrease your monthly repayment amount by extending the amount of time it will take you to pay back your loan. For example, a $xx payment over x months can become a $xx payment of x months.

Don't pay for 6 months

If you're temporarily unable to repay your government student loans because you're unemployed or not earning much money, you may be eligible for **Interest Relief.** During periods of Interest Relief, you are **not** required to make payments on either the monthly interest or the outstanding principal of your loan. The Government(s) will make interest-only payments on your loan for you. You can apply for Interest Relief even if you have already missed payments on your loan.

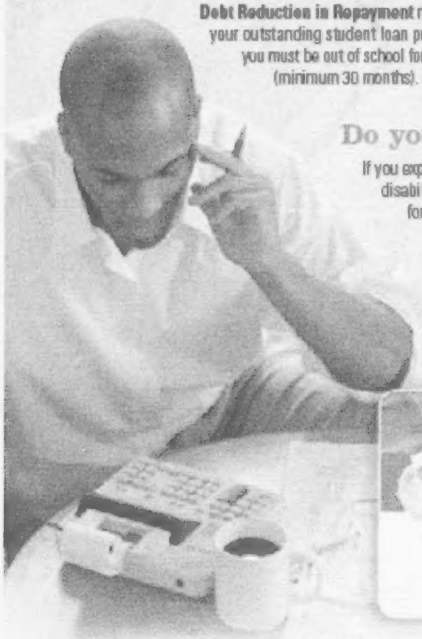
Decrease your debt

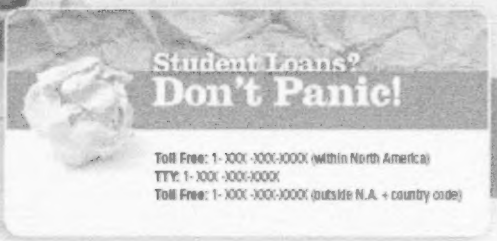
Debt Reduction in Repayment may be of assistance if you face exceptional long-term financial difficulty. It will reduce your outstanding student loan principal and lower your monthly loan payments. Generally, in order to be eligible, you must be out of school for at least five years and you must have exhausted all available periods of Interest Relief (minimum 30 months). If eligible, your first reduction for your Canada Student Loan could be up to $10,000.

Do you have a permanent disability?

If you experience exceptional financial difficulty repaying your student loans due to a permanent disability, you may qualify for the **Permanent Disability Benefit**, which allows for the forgiveness of your Canada Student Loan and/or your integrated Saskatchewan, New Brunswick or Newfoundland and Labrador student loans.

All of these measures are designed to help you make it easier to pay back your student loan. To learn more about them, please visit canlearn.ca or call the National Student Loans Service Centre at the toll-free number below to speak with an expert.




Student Loans?
Don't Panic!
Toll Free: 1-XXX-XXX-XXXX (within North America)
TTY: 1-XXX-XXX-XXXX
Toll Free: 1-XXX-XXX-XXXX (outside N.A. + country code)

IMPORTANT: If your student loan is from before August 1, 2000 you will need to speak to someone at the financial institution (bank, credit union or caisse populaire) that currently holds your loan. Please visit your local branch for more information.

Canada

XX-XXX-XX-XX